



Daily Report

China

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General

Foreign Ministry Holds Weekly News Briefing

Malta, 'Third Party' Interests

HK0612100089 Beijing XINHUA in English
0955 GMT 6 Dec 89

[Text] Beijing, December 6 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China hopes the U.S.-Soviet Summit will help ease and stabilize the world situation without infringing upon the interests of any third party.

Asked by correspondents to comment on the summit, the spokesman said: The U.S. and Soviet leaders had an informal meeting in Malta, exchanging views on a wide range of subjects, including the situation in Europe and the U.S.-Soviet relationship."

"We hope the results of the meeting will genuinely help relax and stabilize the world situation, and will not harm the interests of any third party," the spokesman said.

Conference on Aging Population Ends 4 Dec

OW0512111289 Beijing XINHUA in English
1031 GMT 5 Dec 89

[Text] Beijing, December 5 (XINHUA)—Although China is overshadowed by population ageing, the one-child policy is still the best way of meeting the challenge.

This is the nub of remarks made by experts attending the international conference on China's ageing population, which closed here December 4.

By international reckoning, a country with 10 percent of its population over 60 is a country of aged people. Although the percentage in China is only 8.74 percent now, it is one of the countries that face fastest growth.

Experts consider that China is now torn between lax population control and accelerated population ageing.

Some scholars suggest loosening birth control to permit two children per couple. But most regard that as "worrying about trifles while neglecting essentials", and say such a step will make things worse.

One expert said population ageing will cause China trouble for about 100 years, while the swelling of population will haunt, or even punish, the country for centuries.

Therefore, continual implementation of the one-child policy is still the best choice for China. But meanwhile some necessary reforms should be introduced in the social welfare system.

Experience in other countries shows that pouring in large amounts of money is not enough to meet the challenge of an ageing population.

Thus, the expert said, to make a full use of present social welfare facilities, to establish a basic welfare scheme, to strengthen social-worker training and to improve management are the top priorities in other parts of the world.

China has a long tradition of family support for the aged, and social welfare for old people has also gradually increased.

However, he said, because of the low level of economic development and the weakening of the family support function, welfare for China's elderly should link social welfare, family support and the senior citizen's self-support.

If this line were to be followed, he said, the departments concerned would have to make proper arrangements for medical services, to improve the pension system in the city and to provide employment for the aged who are still able and wish to work.

UNICEF Child Care Seminar Opens in Beijing

OW0612063489 Beijing XINHUA in English
1104 GMT 5 Dec 89

[Text] Beijing, December 5 (XINHUA)—Over 100 scholars and officials from China, the United Nations Children's Fund (UNCF) and the United States met here today to probe ways on how to better care for children.

During the ten-day seminar, participants will focus on studying the current situation, structure, education, medical care, living conditions, health and census of the 300 million Chinese children.

The seminar, which is jointly sponsored by the China Statistical Bureau and the UNCF, is expected to find out the best ways to develop children's welfare in China, a Chinese expert participating in the seminar said.

Beijing Lawyers Develop Foreign Contacts

OW3011144689 Beijing XINHUA in English
1430 GMT 30 Nov 89

[Text] Beijing, November 30 (XINHUA)—Beijing lawyers have so far made contact with more than 40 countries and regions, today's edition of the journal "BEIJING LEGAL SYSTEM" reported.

According to the paper, Beijing lawyers have since 1983 visited a number of countries and regions including the United States and Poland, Australia and Hong Kong, and the Beijing Law Society sent delegations to international meetings in this regard.

The paper also noted that, since it was founded in 1983, the Beijing Law Office for Foreign Economic Affairs has acted as a legal advisor to nearly 40 foreign investment enterprises, and has taken part in negotiations involving important projects and other activities more than 100 times.

The office has established relations with several American law offices, the paper added.

According to the paper, Beijing has exchanged lawyers for advanced studies or investigations with foreign countries and regions such as the United States, Australia and Hong Kong since 1986.

Beijing Readies Facilities for Asian Games

OW2811020589 Beijing XINHUA in English
1526 GMT 27 Nov 89

[Text] Beijing, November 27 (XINHUA)—Twenty out of a total of 31 stadiums and gymnasiums being built or facelifted for the 1990 Asian Games in Beijing have been completed, organizers said here on Monday.

Seven more stadiums and gymnasiums will be completed by the end of this year while the remaining four will be finished in May 1990.

Of the 20 completed stadiums and gymnasiums, 15 have been put into trial use, according to Zhu Yanji, deputy director of the Beijing Asiad Construction Project.

Meanwhile, final touches are being added to the construction of the athletes' village and the hotel for the journalists covering the coming games.

United States & Canada

Article Criticizes CIA for 'Subversive Activities'

HK0512134289 Beijing RENMIN RIBAO in Chinese
2 Dec 89 p 4

[Article by Wen Shiping (2429 2514 1627): "Tactics of Assassination and 'Guardians of Human Rights'"]

[Text] Soon after the abortive coup in Panama, some people in U.S. political circles, including a number of congressmen, censured the government for its behavior toward the Panama issue. They criticized the government for its failure to remove the leader of Panama from office at a stroke, or to completely do away with him by taking advantage of the situation at that time to fulfill a long-cherished wish. In the face of these accusations and interrogations, government high-ranking officials and responsible members of the Central Intelligence Agency (CIA) spoke evasively, and it seemed to be a painful topic for them. Their explanation revealed this complaint: A presidential order which has been enforced for 13 years bound them hand and foot.

By presidential order, they meant the order issued by former U.S. President Ford in 1976. At a Congressional hearing held at that time, some people exposed a CIA plot to kill the state leaders of other countries. In fact, it is routine for the U.S. Government to collect information abroad and meddle in the internal affairs of other countries. As the exposure put the president in an extremely awkward situation, Ford issued an order: "Nobody is allowed to be hired by the United States to engage in assassinations, or to attempt assassinations in the name of the United States." However, facts show

that the order only serves as a camouflage, how can it bind hand and foot, those who indulge in unbridled subversive activities against other countries "in the interest of the United States"?

In fact, the press in the United States and Western countries had earlier carried a large number of reports on the CIA's attempts to stage a military coup in Panama.

As disclosed by LOS ANGELES TIMES on 16 November, the U.S. Government was planning to spend \$3 million on a plot known as "Panama No. 5," which was aimed at abducting or killing Noriega and other Panamanian military and government leaders. Senior CIA officials candidly admitted that the 1976 presidential order could by no means prevent them from carrying out their plan to assassinate Noriega. The press in the Western world recently leaked information which affords food for thought. Government officials had cudgelled their brains to cook up a plan: A certain activity carried out by Americans could "unintentionally" lead to the death of foreign state leaders who are not in the United States' favor. Should the case be brought to light and the persons involved accused of violating the presidential order, the masterminds would be able to show a clean pair of heels, while the U.S. Government would still be regarded as observing law and order.

This is like plugging one's ears while stealing a bell. While carrying out such dirty activities, the CIA has never tried to cover them up. Please look at the following:

- As disclosed by the U.S. media in 1984, the CIA compiled a pamphlet entitled "Psychological Warfare in Guerrilla Warfare" for the anti-government Contras, teaching them, among other things, to carry out wrecking activities, and how to "assassinate" Nicaraguan government officials in a "planned and selective way."

- In 1985, the CIA had a hand in mining the Nicaraguan port, blowing up a ship of a sovereign country.

- In 1986, U.S. planes bombed Libya, and the bombs were aimed at Libyan leader Qadhafi's living quarters. Qadhafi escaped death by sheer luck.

The dirty business carried out by the CIA has long been of ill repute. Interestingly, quite a lot of those who criticized the U.S. government for its failure to get rid of the leader of Panama regard themselves as "guardians of human rights." They did not accuse the U.S. intelligence agency or military authorities of sending troops or special agents to other countries to commit all kinds of outrage, including assassination and subversion, totally failing to look upon sovereign countries as what they should be. But it is these people who criticize in all seriousness, this country or that for infringing upon human rights every day. This really is something strange in the world today.

Soviet Union

1-Day Border Tour Creates Tourism Backlog

OW0512180689 Beijing XINHUA in English
1453 GMT 5 Dec 89

[Text] Harbin, December 5 (XINHUA)—Residents of Heihe City in Heilongjiang Province and Blagoveshchensk in the Soviet Union have to wait for months to make a one-day cross-border visit.

Since the popular one-day cross-border tours began on September 24 last year, more than 13,500 Chinese and Russians from the two cities have traveled across the border in 338 tours. They visit their neighbors by ferry in summer and by bus in winter.

Residents in other areas along the Sino-Soviet border are now demanding similar exchanges, a local tourist official said.

The State Council, the highest governing body in China, has recently given approval for Jilin and Liaoning Provinces and the Xinjiang Uygur and the Inner Mongolia Autonomous Regions to begin one-day border tours, the official said.

The northeast Heilongjiang Province will also open another one-day cross border tour between its Suifenhe City and Grodekovo in the Soviet Union.

The National Tourism Administration's provisional regulations permit only those living in the border cities or in areas under the administration of the cities to take the tours and the visits are limited to the designated cities across the border, the official added.

Chen Junsheng Meets Soviet Forestry Delegation

OW0412113289 Beijing XINHUA in English
1117 GMT 4 Dec 89

[Text] Beijing, December 4 (XINHUA)—State Councillor Chen Junsheng met here today with a Soviet forestry delegation headed by W.S. Isaev, chairman of the State Committee for Forestry.

The two sides exchanged views on the Sino-Soviet cooperation in forestry.

Present on the occasion was Gao Dezhan, minister of forestry of China.

The delegation arrived here December 2 at the invitation of the Chinese ministry.

Article Considers U.S.-Soviet Summit

HK0512143889 Beijing RENMIN RIBAO
in Chinese 2 Dec 89 p 4

[Dispatch by Staff Reporter Zhang Qixin (1728 0796 2500):
"U.S.-Soviet Summit Meeting Attracts Attention"]

[Text] Washington, 30 November—U.S. President Bush and Soviet leader President Gorbachev will hold a meeting on 2-3 December in American and Soviet warships off the coast of Malta. This will be the first U.S.-Soviet summit meeting since Bush took office. What is noticeable is that the meeting is held when rapid changes have taken place in the current political situation in Europe, and in East-West relations. Therefore, sources here maintain that although no firm agenda is fixed in advance, the issue of Europe and problem of arms control related with it will become important topics for discussion.

Over the past month, the development of the political situation in Europe has been beyond the expectation of the two superpowers. When both sides made an announcement at the end of October this year on the summit meeting, they intended to regulate their actions related with their relations through the summit meeting in which they could unofficially and freely exchange their views. Through the meeting, the United States intended to gain the first-hand information and views from the Soviet leader on the reforms in the Soviet Union and Eastern Europe, so that it could conform with the changes and readjust its policies. It intended to prevent the "loss of anything" because of being unclear about the situation, and avoid affecting U.S.-Soviet relations and the interests of the United States due to improper handling of the matters. Although the Soviet Union stressed the importance of the issue of disarmament, it was not against the method for exchanging opinions. It was willing to let the Americans know more about its reform in order to seek technical and economic cooperation with the West. In the meantime, it also hoped that the United States would refrain from making use of the process of reform in the Soviet Union and Eastern Europe to seek advantages in terms of propaganda and strategy to disrupt the existing pattern of U.S.-Soviet relations, and affect the progress of the reform. However, the development of the situation, and the opening up of the borders between the two Germanies and the changes in the political situation in Eastern Europe have brought new problems and posed a new challenge to the U.S.-Soviet summit meeting. Some problems such as the future of Europe, relations between the two Germanies and East-West relations must be seriously treated by the two superpowers. Therefore, the problem of Europe in the present summit meeting is more conspicuous than the previous summit meetings.

However, the problem of Europe concerns not only the interests of the United States and the Soviet Union, but also the interests of the Western and Eastern Europe countries. Although during a certain period of time, the Western mass media talked a lot about the unification of Germany, now people cannot but admit that this is a sensitive issue, because it is a far-reaching problem which involves many countries, and various sides have adopted different attitudes toward it. It is not an issue which should be, and can be solved. In face of the practical reality in Europe, both the United States and

the Soviet Union have adopted a comparatively cautious attitude toward it. Public opinion here maintains that at the summit meeting, although the United States and the Soviet Union will respectively explain their own views and stand, they realize that a calm and peaceful method is needed to deal with the current political situation in Europe in order to maintain the stability of the continent. Under the prerequisite of not disrupting the existing pattern, they will gradually explore the way for solving various problems which have occurred in Europe.

The problem of arms control will carry a certain weight in the meeting. Unlike the Soviet Union, the United States originally did not intend to take the meeting as a place for discussing arms control. However, due to changes in the political situation in Europe, it is objectively necessary and possible to speed up the pace of disarmament. Besides, the pressure of the financial deficits at home has forced Bush to change his original idea. He has now decided to use the meeting to discuss the possibility of disarmament. Regarding arms control, the Soviet Union and the United States have their own different calculations. The Soviet Union hopes that the meeting will make preparations for the official summit meeting to be held in spring or summer next year, and lay a foundation for a breakthrough in arms control, and nuclear disarmament in particular in the interests of the improvement of the external environment of its reform.

As far as the United States is concerned, it is now formulating a plan for the reduction of the military forces in Europe, which has taken a step further than the disarmament plan proposed by Bush in May this year. It will inquire into the intention of the Soviet Union and study countermeasures for dealing with various disarmament proposals which Gorbachev might raise. In view of the response of Western Europe and Great Britain in particular, the United States has stated that it will not clinch a deal with the Soviet Union at the meeting. A decision can only be made after the discussion between the United States and its allies on the U.S.-Soviet summit meeting.

With the approach of the U.S.-Soviet summit meeting, the U.S. and Soviet leaders have stated on different occasions their expectations of the meeting, and explained their stances. However, in face of the rapidly changing situation, they have refrained from making any policy decision. In the meantime, before any consultation with their allies, it seems that both the United States and the Soviet Union will not make any important decision on vital issues. Therefore, it is obvious that, to a great extent, the summit meeting will be a meeting which is mainly aimed at exploring the future.

Southeast Asia & Pacific

'Good Start' Reported at Jakarta Diplomatic Talks

OW0612080889 Beijing XINHUA Domestic Service
in Chinese 1503 GMT 5 Dec 89

[By reporter Li Yongming (2621 3057 2494)]

[Text] Jakarta, 5 Dec (XINHUA)— China and Indonesia formally started technical talks on the resumption of bilateral diplomatic relations at Hotel Indonesia in the center of Jakarta City this afternoon. More than 50 Indonesian and foreign correspondents stationed in Indonesia covered today's first round of talks.

At 1500, Xu Dunxin, leader of the Chinese delegation and assistant minister and concurrently director of the Department of Asian Affairs of the Ministry of Foreign Affairs, and other members of the delegation walked into the conference room and shook hands with and greeted [John] Louhanapessy, leader of the Indonesian delegation, and other members of the Indonesian delegation, who arrived there earlier.

This was the first time since China and Indonesia severed their diplomatic ties in October 1967 that the delegations of the two sides held talks in Jakarta on technical matters concerning the resumption of diplomatic relations. The talks lasted for 3 hours. Speaking to the reporters who had waited outside for a long time, Xu Dunxin said that today's talks were a good start and he believed this meant the talks will continue.

Louhanapessy, leader of the Indonesian delegation and director general of the Department of Political Affairs of the Ministry of Foreign Affairs, told reporters that the two sides discussed relevant technical matters in today's meeting and had already reached some agreements.

He said he was very satisfied with today's talks. The two sides will issue a joint statement at the end of the talks.

It is learned that the meeting will be continued tomorrow morning.

Supreme Court President Returns From Philippines

OW0512104989 Beijing XINHUA in English
1030 GMT 5 Dec 89

[Text] Beijing, December 5 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, returned here today after attending the Third Conference of Chief Justices of Asia and the Western Pacific held in Manila, the Philippines, from November 27 to December 1.

Beijing Reception Marks Thai King's Birthday

OW0512090389 Beijing XINHUA in English
0812 GMT 5 Dec 89

[Text] Beijing, December 5 (XINHUA)—The birthday of King Phumiphon Adunyadet of Thailand, Thai National Day, was marked at a reception hosted here today by Thai Ambassador to China Tet Bunnak.

Among the more than 300 guests attending the reception were Samdech Norodom Sihanouk, president of Democratic Kampuchea, and his wife, Liao Hansheng, vice-chairman of the Standing Committee of China's

National People's Congress, Ai Zhisheng, Chinese Minister of Radio, Film and Television and diplomatic envoys of various countries to China.

Sub-Saharan Africa

Qian Qichen Views Sino-African Ties

OW0512155989 Beijing BEIJING REVIEW in English
No 49, 4-10 Dec 89 pp 10-11

[Interview with Foreign Minister Qian Qichen by the magazine CHINAFRIQUE—date and place of interview not specified]

[Text] [Begin editor's note] Last month, reporters from the magazine CHINAFRIQUE interviewed Chinese Foreign Minister Qian Qichen. Qian answered questions about his recent visit to six southern African nations and detailed the contributions Sino-African co-operation has made to international peace and development. Qian also looks forward to Sino-African relations in the 1990s. BEIJING REVIEW reprints the story. [end editor's note]

CHINAFRIQUE: Mr. Qian, the 1980s, which are about to end, was a decade of great development in friendly cooperative relations between China and African countries. Would you describe what achievements have been made in recent years, especially this year?

Qian: First of all, the political relations between China and African countries have been further strengthened and the frequent high-level exchange visits continued. Relations between the Communist Party of China and African political parties in power also have made much headway. Second, Sino-African economic ties have assumed a new pattern of flexibility and diversity. Various types of co-operation based on mutual benefit have been introduced including joint ventures and contract engineering enterprises. At the same time, two Chinese cultural centres made their debut in Mauritius and Benin last year.

This year we have seen an increase in political interactions and talks between China and African countries. Leaders of Mali, Burundi, Uganda, Togo, Burkina Faso, Ghana and Sierra Leone visited China. The Chinese Government is helping to supervise the independence process in Namibia by sending personnel to the United Nations' assistant team. For the first time, China opened a training centre for agricultural technicians from third world countries, especially African countries.

It is worth noting that many African countries showed their understanding of the measures taken by the Chinese Government to deal with the political disturbance that occurred in China this spring and early summer. They said that it was China's internal affairs, permitting no foreign interference.

CHINAFRIQUE: The Government of Liberia announced it was establishing "diplomatic relations" with Taiwan—a province of China that is still governed

by the Chinese Nationalist Party. What's your comment on the Taiwan authorities' efforts to create "two Chinas"?

Qian: Recently, Taiwan authorities have been active in seeking "dual recognition" from countries that have diplomatic ties with the People's Republic of China by using such dirty tricks as economic aid, loans and dollars. Their "elastic diplomacy" was designed to create "two Chinas." But the Taiwan authorities' goal will not be reached because of the vigilance of African countries.

CHINAFRIQUE: What was your main impression during your six-nation visit to southern African in August and September?

Qian: I visited six countries: Botswana, Lesotho, Zimbabwe, Angola, Zambia and Mozambique. My travels were aimed at collecting first-hand information about the changing situation in the region and to express the Chinese Government's and Chinese people's support for the people of the southern African countries in their just struggles.

The main impression my visit to Africa left on me was that the struggle of the people in southern African countries to ease regional tensions is making progress. The process of Namibian independence has finally begun. The South-West Africa People's Organization (SWAPO) and other patriotic forces of Namibia and frontline countries in southern Africa have tried their best to co-operate with the United Nations in a joint effort to implement UN Security Council Resolution 435 and guarantee free and fair elections and Namibia's independence as scheduled. The Angolan and Mozambican governments have launched active dialogues to end the wars within their borders and restore peace and stability. The frontline countries—Zambia, Botswana, Zimbabwe, Tanzania, Mozambique and Angola—and the Organization of African Unity have put on their agenda the settlement of the South African issue in order to root out the cause of turbulence in the region. The future is good for the southern African region, as the general situation in the region is developing in a direction favourable to peace. The struggle against racism, however, will be long and difficult. It requires that the people in the region and the international community be persistent in their efforts to solve the problem.

Another deep impression I received is that southern Africa is rich in natural resources, has hard-working people and vast potential for development. The people in the region are vigorous in seeking development strategies suited to the conditions of their own countries. As an organization for regional collective self-reliance, the Conference for Southern African Development is now getting rid of South Africa's control and playing a positive role in co-ordinating economic development in the region.

Through my visit I have felt the profound friendship of the African people. Our delegation has received a warm and friendly reception from all six countries. All the

leaders and colleagues I met noted that Sino-African friendship conforms with the common interests of the Chinese and African people. Therefore, all of us advocate continuous development and expanded cooperation in all fields.

CHINAFRIQUE: China and the southern African countries have always supported each other in international affairs. What contributions has this made to the two major tasks of the world today—peace and development?

Qian: In my opinion these contributions involve the three following aspects.

First, China is one of the initiators of the Five Principles of Peaceful Coexistence. For many years the relations between China and African countries have developed on the basis of these principles. This is a new type of state relationship which is favourable to the African people's cause of safeguarding their national independence and seeking economic development.

Second, China and the African countries energetically advocate the change of the unreasonable international economic order and settlement of the African debt issue, and demand that serious North-South talks be conducted on the issues. They support each other in struggles for the legitimate rights and interests of developing countries. It is of great significance to launching substantial dialogues and cooperation between the North and South.

Third, China and African countries have actively advocated South-South co-operation. China with its limited economic strength has provided African countries with economic aid without any political conditions. In recent years China has launched various forms of economic and technological cooperation with African countries on the basis of equality and mutual benefit. This co-operation is conducive to promoting each other's economic development and is a good form of South-South cooperation.

CHINAFRIQUE: Minister Qian, the world will enter the 1990s soon. How do you envisage Sino-African Relations in the next decade?

Qian: The African continent will finish the task of de-colonization during the last 10 years of this century. However, because the unreasonable international economic order has not changed, the difficulties that the African countries face in their national economies will probably become more serious. China and African countries should further strengthen their unity, co-ordination

and co-operation so as to win a fairly long peaceful environment and speed up economic development.

China and the African nations are all Third World countries, have had similar historical sufferings and face the same development tasks. Because they have identical national interests, they speak the same language. China will continue to take unity and co-operation with Third World countries, including African countries, as the fundamental foothold of its foreign policy. China will, as always, steadfastly support the just struggle of the African countries against hegemony, colonialism and racism. It also will continue to support the efforts with which the African countries overcome their difficulties, rejuvenate their economies and explore the way of development suitable to their own countries. I consider that Sino-African relations are built on a solid basis and have a broad vista of development and huge potential.

Latin America & Caribbean

Zhu Liang Delegation Ends Visit to Venezuela

OW0612002489 Beijing XINHUA in English
1630 GMT 5 Dec 89

[Text] Caracas, December 5 (XINHUA)—High ranking Chinese Communist Party official Zhu Liang ended his visit to Venezuela today and left for home.

Zhu, head of the International Liaison Department of the Central Committee of the Communist Party of China, met with President Carlos Andres Perez, and the President of the Chamber of Deputies Jose Rodriguez Iturbe during his eight-day visit here.

Zhu said that both China and Venezuela attach importance to the cooperation between the two countries.

Zhu and his entourage held talks with leaders of the Democratic Action Party which invited Zhu to Venezuela, the Social Christian Party, the Movement for Socialism, and the Confederation of Workers of Venezuela, Venezuelan Petroleum Company and the Venezuelan Guayana Corporation.

The delegation also visited the industrial zone of Guayana. Zhu said that there are possibilities for greater cooperation in industry, agriculture, the use of hydraulic resources, science and technology and other fields.

Zhu came to Caracas from Brazil, where he met with President Jose Sarney and the President of the Chamber of Deputies Paes de Andrade.

Political & Social

Yuan Mu Discusses Political, Economic Situation

OW0612053889 Beijing XINHUA Domestic Service
in Chinese 1422 GMT 5 Dec 89

[Text] Beijing, 5 Dec (XINHUA)—Yuan Mu, director of the Research Department of the State Council, said at the 2d Plenary Session of the 5th China Democratic National Construction Association Central Committee this morning that, six months after stopping the turmoil and quelling the counterrevolutionary rebellion, China with a population of 1.1 billion, which is under the leadership of the Communist Party of China [CPC], is still standing erect in the East. China still has a visage of advancement along the socialist road and is still presenting itself with an image of reform, opening up to the outside world, and vitality before the people of the world.

In his report on how to have a correct understanding of the present situation and a profound grasp of the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, Yuan Mu said that our party had led people throughout the nation to deal properly with the soul-stirring and serious political struggle of the turmoil and rebellion. Things have taken on a new aspect in only a few months—the social order throughout the country is rapidly returning to normal, with a stable policy, political situation, and public feeling; the economy continues to develop in the light of improving the economic environment and rectifying economic order. The development of the situation is a surprise to many people.

Why has a relatively satisfying development of the situation been appearing in the past 6 months? According to Yuan Mu, it can be attributed to the following reasons:

The leadership of the party and the socialist road have taken root in the hearts of the people in this great land of China. This is an irresistible trend. Any attempt to stop it is doomed to fail.

Socialism was won in China through decades of revolutionary wars. During these wars, an army, which has a glorious tradition of revolution and is loyal to the party and the people, has been built. This is a basic guarantee of socialism.

Our party, which is strong, consolidated, and able to stand any tests, has become more mature than ever after this accident. While facing various reverse trends, our party did not lose its principle. Moreover, it took a serious Marxist attitude of profound reflection toward the happening and development of the turmoil and rebellion.

The new central leadership with Comrade Jiang Zemin as a core, which was formed after the 4th Plenary Session of the 13th CPC Central Committee, has tried hard to

create a image of its own among the people by its actions and has won increasing support and trust of the people.

Yuan Mu said: To guarantee long-term social stability and smooth progress in improving the economic environment and in rectifying economic order, reform, and opening to the outside world; to continuously maintain a stable and consolidated political situation; and to realize a stable development of economy, it is necessary for us to carry out comprehensively and resolutely the party's basic line of "one central task and two basic points," to persist in reform and opening to the outside world in the light of adhering to the socialist orientation, to solve earnestly various practical problems which the people urgently wish to be settled, and to guarantee with every possible means the stability and continuity of the party's line, principle, and policy.

Yuan Mu stressed: The practice in the past few months proves that, under the new leadership of the CPC Central Committee, we have both the ability and methods to quell the turmoil and rebellion and overcome great difficulties brought about by the turmoil and rebellion. Likewise do we have the ability and methods to achieve success in further improving the economic environment, rectifying economic order, and deepening reform.

Sun Qimeng, chairman of the Central Standing Committee of the China Democratic National Construction Association; Sun Xiaocun, director of the Central Consultative Committee of the China Democratic National Construction Association; and all vice chairmen of the Central Standing Committee of the China Democratic National Construction Association attended the meeting.

Busts To Commemorate Soldiers Killed 4 June

HK0612103889 Hong Kong AFP in English
1031 GMT 6 Dec 89

[Text] Beijing, Dec 6 (AFP)—Busts of 14 soldiers killed in the bloody June 4 suppression of democracy protests in Beijing have been commissioned for the capital's military museum, a Shanghai newspaper received here Wednesday said.

WEN HUI BAO, in its Tuesday edition, said the busts were being made by sculptors from the Communist Youth League in Jiangsu province, north of Shanghai, with support from local military and Communist Party cadres.

Work began Monday with supervision from experts, using steel painted to resemble bronze. The busts are to be sent to the museum by late February, the daily said.

The 14 slain soldiers were earlier named "Guardians of the People's Republic of China," the country's highest military honor, on recommendation of senior leader Deng Xiaoping.

Since last summer Beijing's military museum has been staging an exhibition of what the government describes as the "quelling of the counter-revolutionary rebellion."

The authorities say that about 320 people were killed on June 4, including dozens of soldiers who were attacked by civilians armed with rocks and firebombs. Western sources believe the total death toll was at least 1,300.

Article Criticizes Fang, Wuer, Yan

OW0512205089 Beijing BEIJING REVIEW in English No 49, 4-10 Dec 89 pp 19-22

[By BEIJING REVIEW staff reporter Jian Chuan]

[Text] Editor's note: Recently, some Western news media have extolled Wuer Kaixi, Yan Jiaqi, Fang Lizhi and others as "democratic fighters" concerned about China and its people. The facts, however, are much different. The following article exposes their true motives and characters. [end editor's note]

Rumourmonger Wuer Kaixi

Wuer Kaixi, who has fled to a foreign country and considered himself to be a "leader of the student movement," enrolled as a student in the Beijing Teachers' University in 1988. During the late spring and early summer of this year, he began to organize the student strike, boasting such public aims as the "promotion of China's democratic progress," "opposition to corruption," and "expression of concern for the crises in education."

In contrast to such public pronouncements at the time, though, he was himself faced with two personal crises. He had failed to pass university examinations in three subjects—biology (a score of 42), mathematics, (52), and foreign language, (57)—and he would be ordered to quit school. Secondly, he had been involved in the illegal buying and selling of furs and wools, losing 7,000 yuan in the process, the cost of which he was unable to cover.

Such people as Wuer Kaixi, however, have a strong desire for power. In 1988, after he entered the university, he tried to become a cadre for the department and the students union, but, due to his frequent absence, speculations and poor academic record, he was denied the position.

The student strike after the death of former General Secretary Hu Yaobang, its catalyst, was regarded by Wuer Kaixi as a chance to extricate himself from his difficult standing at the university. He blithely told his classmates, "If I do well now, it will be an honour to be ordered to leave school."

He went public for the first time on April 20, the day he gave speeches to incite students sitting in front of Xinhua Gate of Zhongnanhai, headquarters of the Party Central Committee and the State Council. He led people to repeatedly charge the Xinhua Gate, the type of action which had never occurred even during the "Cultural

Revolution" (1966-76) and which is a clear violation of the law in Western countries. At dawn, in order to allow the free flow of daily traffic, the police forced the sit-in students at Xinhua Gate to get on buses and sent them to their school. Wuer Kaixi then fabricated rumours, slandering the police to create a "bloody incident," and further incited students against the government.

On April 21, Wuer Kaixi set up an unlawful "autonomous student union" in Beijing Teachers' University, making himself its chairman. That night, he plotted a large sit-in at the Tiananmen Square, ostensibly to participate in the memorial meeting to mourn for Hu Yaobang even though the sit-in was not approved by the government.

On April 22, outside the Great Hall of the People, in which Hu's grand memorial meeting was being held, he announced to the students over a loudspeaker the false news that, "Premier Li Peng had agreed to meet us and have a dialogue at 12 o'clock. Please wait patiently." At 12:45, he incited the students by saying Li Peng had deceived them. He then led students in a charge towards the Great Hall of the People.

By the end of April, because Wuer Kaixi was well known in campus upheaval and turmoil, he was pushed to the position of chairman of the "Autonomous Students Union of Beijing Universities." He and his behind-the-scene schemers, the "political elite" Yan Jiaqi, Wan Runnan, the former general manager of the Stone Company, and Liu Xiaobo, lecturer of the Beijing Teachers' University (Liu was encouraged by Wang Bingzhang, leader of the China Democratic League, an anti-China organization, to return to Beijing from the United States), met and discussed many times how to expand the turmoil and oppose the party and socialism. On May 13, using the hunger strike as a means to force the party and government to agree to his demands, Wuer Kaixi raised two political requirements. The first was that the government should admit the turmoil was a "patriotic democratic movement" and the second was to permit legalization of the "Autonomous Students Union of Beijing Universities." These two demands, however, were only part of the political strategy played out by Wuer Kaixi on the orders of his behind-the-scene plotters. In an interview with a French reporter, he said undisguisedly, "Our demands go far beyond the present three or four conditions. Everybody here has their own demands. We must advance step by step."

But towards what direction was Wuer Kaixi advancing? On May 14, he clearly showed his purpose when he talked with a French reporter of LE FIGURO. He said, "To oppose the government one must oppose the Chinese Communist Party. We must force the party and government to recognize 'the Autonomous Students Union of Beijing Universities,' and allow the establishment of political opposition parties in China."

Since he fled to foreign countries, Wuer Kaixi has bandied about the rumour of a "blood bath in the

Tiananmen Square" caused by the People's Liberation Army. He says, "I saw with my own eyes students at the Tiananmen Square falling one after another," and also says that "more than 3,000 people had died." According to Stone cadre Zhou Duo and others, however, who took part in the 48-to-72-hour hunger strike, and who were among the last to leave the Tiananmen Square, Wuer Kaixi had an attack of his heart illness and was carried away from the square before the clearing operation. He clearly has no right to comment on what occurred and all of his talk that Tiananmen square had become a blood bath is nothing but falsehood.

Several months have passed since the Beijing disturbance and with the airing of the facts, many students who were initially incited and misled by Wuer Kaixi in the past have awakened as if from a sleep. They now carry with them a strong dislike of Wuer Kaixi.

His speech and his action overseas has also aroused the criticism of an increasing number of people of insight. One visiting scholar at Columbia University in the U.S. said, "I didn't expect Wuer Kaixi to reach such a low level. He has nothing in his head except the ability to shout slogans and hurl abuses."

One American reporter pointed out perceptively, "this Chinese youth, Wuer Kaixi, is nothing more than a plaything in the hands of Congressmen." Many fair-minded Americans and Overseas Chinese have concluded that Wuer Kaixi is just a contemptible scoundrel who likes to be in the limelight.

A commentary in a French newspaper published on September 15 noted that, "People who make private gains as a result of the abuse of their own country will certainly come to no good end. When their value is gone, their performance is also at an end."

Yan Jiaqi A Contemptible Scoundrel

Like Wuer Kaixi, Yan Jiaqi, who once served as a director of the Institute of Political science under the Chinese Academy of social sciences, has fled to a foreign country. Yan is adorned, however, with more laurels heralding his as a "new-type politician," "a theoretical authority on political elite," accolades which were obtained mainly from his three books as well as other published articles and speeches.

One of his three books, "Ten Years of the Cultural Revolution," was based on big and small character posters, various rumours and hearsay gathered during 1966-76; another is "On Top Leaders" in which he propounds his bourgeois political views; the third is the self-flattering "Ideological Autobiography," in which he simply blows his own trumpet. In the latter two books and some other articles and speeches can be found the essence of Yan's political views. These views possess the following three aspects.

He advocates the Western countries' "tripartite" political system even though it does not conform to China's

own conditions, and he attacks the People's Republic of China as an "empire of practising autocracy." He holds that to practise "tripartite" politics, the prerequisite is the elimination of the leadership of the Communist Party." In such ideas, Yan ignores what is well known to all that the leadership position of the Communist Party of China has been shaped through the development of the modern Chinese history and has been supported by the overwhelming majority of the people throughout the country.

He advocates the pluralistic concept of politics, and the demand that the opposition organization, aimed at overthrowing China's legal government, obtain a legal position in China, so as to better "contend with the Communist Party."

Lastly, on November 11, 1988, Yan clearly put forward his view that private property rights should be permitted and be clearly stipulated in the Constitution. What is his reason for demanding the right to private property? Yan dare not say it clearly, but his follower War Runnan, the former general manager of the Stone Company, laid bare the truth with his penetrating remarks that it is to create conditions for the rise of a "middle class." The rise of the middle class is the basis for a democratic political system or, in other words, an attempt to lay the foundation for the rise of a capitalist republic in China.

To attain this goal, Yan began to engage in street politics and illegal activities early in 1979 when China first implemented economic structural reform. At that time, he not only secretly contacted illegal organizations and publications in Beijing and other parts of the country, but also directly involved in various illegal activities of the "Xidan democracy wall" movement in Beijing and advocated Western "democracy" and "freedom."

Yan repeated his actions again in 1987 by publicly advocating the Western bourgeois political system.

One can't help wondering how such a person could have acquired the post of director of the institute of Political Science of the Chinese Academy of Social Sciences and be in position to give counsel on China's political structural reform. The answer lies in his protection by Zhao Ziyang, the former premier and general secretary of the CPC Central Committee.

In 1986, Zhao Ziyang and his secretary, Bao Tong, had Yan transferred to the Research Group of Political Structural Reform of the Central Committee to act as a key member of Zhao's brain tank.

In 1987, when Yan was investigated by the departments concerned due to his advocate of bourgeois liberalization, it was Zhao's protection that protected him.

This made Yan even more brazen. On April 15, Hu Yaobang, the former general secretary of the CPC Central Committee, passed away and the student movement began. To take advantage of the situation, a handful of

people, with Yan acting enthusiastically as the mastermind, plotted to create turmoil.

Yan colluded with others to write letters to the CPC Central Committee, the Standing Committee of the National People's Congress (NPC) and the State Council, trying to exert pressure on the party Central Committee to acknowledge that what had been proposed by the students were all positive and democratic. Meanwhile, in an expansion of the events, he instigated and led others from intellectual and news circles to support the student movement.

Compared with Wuer Kaixi, whose role in the student movement-turmoil-rebellion was to seek the limelight and satisfy his thirst for power, Yan Jiaqi, acted out of clear political motives. He wanted to propel forward the idea of "topple Deng and protect Zhao," which would in turn lead to the practice of the Western political system in China.

On May 16, in his talk with Soviet leader Mikhail Gorbachev, Zhao publicly shifted all responsibilities for events onto Deng Xiaoping. Immediately, Yan drafted the "May 17 declaration" which attacked Deng, and called for "an end to gerontocracy," and for the "dictator to resign." He thus gave evil-doers the mobilization order for the overthrow of the People's Republic.

On May 20, after the State Council declared martial law in some areas of Beijing, Yan emerged from his scheming behind the scenes and assumed the role of organizer and commander.

On May 23, with others, he organized the illegal federation of the Beijing intellectual circles which sent a telegram to the Standing Committee of the NPC, asking it to hold an urgent meeting at once for the "submission of a petition to recall Li Peng, the premier of the State Council." At the same time, he called on supporters to join in the sit-in at the Tiananmen Square.

On May 24, with other illegal organizations including the "Autonomous Students Union of Beijing Universities," the "Autonomous Federation of Beijing Residents" and "Beijing Workers' Dare-to-die Corps," Yan helped organize the united conference from all walks of life in the capital and the "headquarters on the Tiananmen Square." They were determined to "overthrow the Chinese Government with a spirit fearing no bleeding or death."

On May 27, he attended the meeting of the so-called "big hunger strike of 5,000 intellectual elite" and directed a farcical 48-72 hour hunger strike in which only 4 persons took part.

On June 3, during the rebellion, Yan was busily directing activities designed to keep military vehicles from entering the city.

One can easily draw the conclusion from the above facts that Yan, highly praised by Western countries as a

"pro-democratic fighter" and a "political elite," is no more than a scoundrel who attempted to undermine the People's Republic.

Fang Lizhi: Scum of the Intelligentsia

Although Fang Lizhi is an astrophysics scientist, his popularity is not his scientific theses nor his prominent achievements in scientific research, but his seeking of the political limelight and his condemnations of his own country, action which are lavishly praised by some Westerners.

Why is Fang, a scientist, so enthusiastic in politics? Why doesn't he concentrate his energy on scientific research? Is it really because, as is often said, that he is concerned about his country and his people and that he is a patriot and democrat?

The answer is no, because Fang has denied patriotism. He says openly that he, by nature, is against patriotism and instead, in borrowing the words of Albert Einstein, declares that there is no need to pay attention to which country one belongs. In his view, China needs not only to be liberalized but also to the dissolved and disintegrated.

And after the country's dissolution, what would he do? Without a hint of shame, he says he would go to the United States and be a world citizen, a Chinese Albert Einstein.

Einstein is not the question of concern, however; more important is that we can see from his words and deeds that he is no patriot.

So why is Fang, a man trying to disband his own country, called "patriotic" by some Westerners? The reason lies in the solution, the "way out," Fang has found for China. He proposes "complete Westernization" and the taking of the capitalist road.

Fang has never denied this. Ignoring the fact that socialism has brought rapid development to China, Fang said in 1986 that what China has done over the past 30 years represents a failure of the socialist system. He says socialism has put China in a dead end and that the only way out is capitalism.

He repeatedly advocates, therefore, "complete Westernization" in China. In November 1986, in a speech at Ningbo University in Zhejiang Province, he said: "I appreciate very much the concept of 'complete Westernization' which means the absorbing of all Western things—science, technology, culture, politics, ideology and morality, including the changing of China's political structure and system of ownership, and even introducing a premier."

This is the reason some Westerners find him so much to their liking.

Fang's democratic image is false, though, because he doesn't concern himself with people's just and democratic rights. Trying to sell the idea of Western bourgeois

democracy, he keeps creating turmoil against the socialist system, the guarantee for the people's extensive democracy. In December 1986, when he was vice president of China University of Science and Technology, some students in the university, at Fang's instigation, together with other college students in Hefei, Anhui Province, took to the streets in an action giving the greenlight to the 1986 student movement and social turmoil.

In January 1987, though Fang was discharged from his post as vice president of China University of Science and Technology and expelled from the Communist Party, he showed no sign of repentance but, instead, intensified his efforts to trumpet bourgeois "democracy and freedom" and incite student unrest on the campus.

At a gathering before the turmoil in Beijing this year, Fang arrogantly clamoured that "we must completely boycott and criticize the current government." He incited people to "go to the streets after three such meetings," and "to expand the event throughout the country to compel the government to submit." With such intentions, Fang and his wife Li Suxian controlled Wang Dan, a former student from the History Department of Beijing University and the person responsible for the "Autonomous Students Union of Beijing Universities." At the same time they plotted the student demonstration, sit-ins, hunger strike and other unlawful activities. Fang's wife frequently went to Tiananmen Square to encourage students in the hunger strike "to have the courage to die in hunger and to burn yourselves."

These actions escalated the turmoil until it burst out in open rebellion.

What Fang had pursued as "democracy" and "liberalization" wouldn't have been allowed in the most democratic and liberal country.

After the quelling of Beijing's rebellion, China's public security departments issued a wanted circular for Fang Lizhi and Li Suxian. To avoid punishment, they fled to the American Embassy in Beijing, in an act of galling humiliation to many Chinese intellectuals. Even their best friends believe that Fang's words and deeds have insulted not only China's national dignity but also Fang's personal dignity. For most Chinese intellectuals, Fang, now dependent on the pleasure of others, has become a pariah.

Procuratorate Commends Beijing, Shanghai Units
*OW0412005689 Beijing XINHUA Domestic Service
in Chinese 1201 GMT 27 Nov 89*

[By reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 27 Nov (XINHUA)—The Supreme People's Procuratorate held a telephone conference on 27 November to commend advanced procuratorial collectives across the country which had distinguished themselves in putting an end to the recent turmoil and

quelling the counterrevolutionary rebellion. An order of commendation was issued to 12 units, including the People's Procuratorate of Changping County in Beijing Municipality, while "Advanced Collective," a title of honor, was conferred on 39 units, including the Criminal Procuratorial Department of the People's Procuratorate of Xuzhou City.

None of the cadres and policemen of the People's Procuratorate of Changping County in Beijing Municipality took part in demonstrations or voiced support for demonstrators when the recent turmoil and counterrevolutionary rebellion broke out in Beijing. Standing fast at their respective posts, they conscientiously performed their duties to maintain public order and took an active part in the struggle to put an end to the turmoil and counterrevolutionary rebellion. Among those that also received commendation were the people's procuratorates in Daxing County and Shijingshan District of Beijing Municipality, Shanghai Municipality, Mianpu [as received] and Huangpu Districts of Shanghai Municipality, Ganzhou City, Wuchang District of Wuhan City, Guilin City, and Xiangtan City; the General Office of the Hubei Provincial Procuratorate; the Technical Department of the Shaanxi Provincial Procuratorate; and other units.

Addressing the conference, Liu Fuzhi, procurator general of the Supreme People's Procuratorate, said: During the struggle to put an end to the recent turmoil and counterrevolutionary rebellion, procuratorial organs and the vast numbers of their working personnel firmly took a clear-cut stand to support the brave and wise decision by the CPC Central Committee, the State Council, and the Central Military Commission, obeyed orders and commands, strictly observed disciplines, were scrupulously faithful in the discharge of their duties, and resolutely dealt a timely blow to the counterrevolutionaries and serious criminals who were indulging in beating, smashing, looting, arson of buildings, vehicles, and property, and killing, thereby making due contributions to putting an end to the turmoil and quelling the counterrevolutionary rebellion, safeguarding security of the state, and maintaining social stability. He said that the advanced collectives receiving commendations were the outstanding representatives of those which had distinguished themselves in the struggle.

Liu Fuzhi urged procuratorial organs at all levels and the vast numbers of procuratorial personnel to follow and emulate the example set by the advanced collectives and vie to make contributions and render fresh meritorious service to the party and the people.

Series Continues on Jiang's National Day Speech

Democracy, Legal System Viewed

*HK0312182289 Beijing JIEFANGJUN BAO
in Chinese 9 Nov 89 p 2*

[Twenty-second article in the series "Questions and Answers on Studying Jiang Zemin's National Day

Speech"; article by Fang Li (2455 4539): "How Should We Ensure that Democracy and the Building of the Legal System Develop Healthily Along the Orientation and Track of Socialism?"

[Text] In building a high degree of socialist democracy and a perfect socialist legal system, just as in all other socialist undertakings, it is necessary to integrate the universal truth of Marxism with the concrete practice in China and proceed from China's national situation. In China, socialism has been developed from new democratism. It has not developed on the basis of a high degree of democracy and under ready economic and cultural conditions, but rather from a poor economic and cultural basis. For this reason, China has encountered greater difficulties in developing socialist democracy and building a socialist legal system. Moreover, this development has inevitably carried some specific features of our country. This decides that we must proceed from our national realities in developing democracy and building a legal system so that they may develop healthily along the orientation and track of socialism.

First, democracy and the building of the legal system must not deviate from the four cardinal principles. Being a political system, democracy has never been an abstract and absolute thing. In essence, China's socialist democracy means the exercise of democratic rights by the working class and the broad masses of laboring people who enjoy all rights to manage their state and social affairs while exercising dictatorship over the antisocialist hostile elements and suppressing their sabotaging and resisting activities. This is a new type of democracy, which is a result of the long-term struggle of the Chinese people under the leadership of the CPC. It is a historical choice of the Chinese people. History has proved that the road of bourgeois republicanism cannot be adopted in China. Of course, this does not mean that we cannot take certain practices of the capitalist countries for our reference in the course of developing democracy and building the legal system. Some concrete forms of bourgeois democracy can also be used to serve socialist democracy, but under no circumstances should we copy them mechanically. When taking certain forms of capitalist democracy for our reference or carrying out reform of the political structure, we must all proceed from our national situation, adhere to the four cardinal principles, and take the system of people's congresses as our basis. A small number of people have advocated the so-called "elite" politics, pluralistic politics, and multiparty system under the pretense of "reform." They are actually trying to deprive the broad masses of people of their democratic rights, negate the leading position of the Communist Party, and replace our socialist republic with a bourgeois republic. Their so-called reform, which deviates from the four cardinal principles, is aimed at negating the historical choice of the Chinese people and pushing Chinese history backwards. Fundamentally speaking, it is going against the interest of the broad masses of laboring people.

Second, democracy and the building of the legal system cannot be separated from the real material and cultural foundation. Marxism tells us that both democracy and the legal system belong to the superstructure. They are inevitably restricted by social, economic, and cultural development and cannot exist and develop in isolation without necessary material and cultural conditions. We are not denying the fact that capitalist democracy has a relatively perfect form, which can suit the needs of capitalist rule. But that has been developed through their efforts in the past several hundred years. However, in as little as 40 years, China has already established and developed its own system of socialist democracy, which enables the broad masses of laboring people to enjoy democratic rights. We have full reason to be proud of our achievements in developing socialist democracy and building our legal system. At the same time, we must also realize that our socialist system has been established on the ruins of a semifeudal and semicolonial society and a poor economic and cultural basis. Whereas history has left us very few traditions of democracy, there are profound influences of feudal autocracy and small-production mentality. The political quality of the masses has yet to be further increased. This basic national situation decides that our development of socialist democracy and building of the legal system can only be a course of progressive accumulation.

Third, socialist democracy and the building of the legal system must be closely related with each other and promote each other. Neither should be overemphasized at the expense of the other. The unity of socialist democracy and the socialist legal system is determined by the nature of China's social system. This unity is mainly expressed by the fact that the socialist legal system can be established and developed only after the working class and the laboring people have taken over the political power and won their democratic rights. At the same time, socialist democracy cannot be consolidated and perfected without the guarantee of the socialist legal system. Therefore, it is erroneous and very harmful to set democracy against the legal system, to hold that the legal system will restrict democracy, and to deviate from the legal system in striving for democracy. Many people, especially many young students who cherished good intentions of developing democracy, were yet involved in the disturbances which occurred in the late spring and early summer days this year. This is because they did not understand or wish to understand the relationship between democracy and the legal system or had set the two against each other. As they were deviating from the legal system in pursuing their so-called "democracy," they were used by a small number of people with ulterior motives. As a result, they were unable to push forward the development of democratic politics. On the contrary, they had created social disturbances, sabotaged the legal system, and brought about great losses to the state and the people. The lesson we have learned from this bitter experience shows that only by correctly understanding and handling the relationship between socialist democracy and the legal system can we

ensure that the building of democratic politics will develop healthily along the track of the socialist legal system.

'Spiritual' Civilization Viewed

HK0312185889 Beijing JIEFANGJUN BAO
in Chinese 9 Nov 89 p 2

[Twentieth-third article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Shu Zhi (2885 1615): "How Do We Effectively Strengthen the Building of Socialist Spiritual Civilization?"]

[Text] Fundamentally speaking, strengthening the building of socialist spiritual civilization means establishing a correct spiritual prop under the guidance of Marxism. In the final analysis, the building of socialist spiritual civilization is aimed at increasing the people's ideological and moral, scientific and cultural level, and educating and training a generation of new socialist people who have ideals, morality, cultural knowledge, and a good sense of discipline. If we do not do so and do not train more and more new people in our society; if we do not stress and develop the style of communism and the spirit of Lei Feng, who took delight in helping others; we cannot even begin to talk about the building of a high degree of socialist spiritual civilization or the building of a high degree of socialist material civilization.

Comrade Mao Zedong said: "A man must have certain spirit." In our socialist modernization drive, this spiritual strength mainly comes from lofty ideals and a correct outlook on life. It can be obtained through the guidance and cultivation of the Marxist world outlook rather than through money and material incentives. Marxism, which is the scientific world outlook of the working class and a great achievement in the building of spiritual civilization of mankind, is a theoretical basis for our socialist cause and an important component part of the socialist ideology. All our ideological, moral, cultural, and legal constructions cannot succeed without the guidance of Marxism. Therefore, we must forcefully strengthen and improve our ideological education in Marxism in light of the realities of our modernization drive and reform and opening up and the ideological reality of the people. We must use Marxist and socialist ideas to guide our work in all ideological spheres, including theory, education, journalism, publication, and literature and art so that they can firmly occupy the ideological, cultural, and propaganda positions. It is especially necessary to carry out ideological education among the broad masses of Communist Party members and Communist Youth League members. This is of especially great significance in strengthening the building of socialist spiritual civilization.

In strengthening the building of socialist spiritual civilization, it is necessary to make great efforts to kindle the people's patriotic enthusiasm, develop the good traditions of the Chinese nation, and enhance our national

confidence. The Chinese nation is a great nation with a long history and outstanding culture. It has lagged behind in modern history due to the rotten feudal rule and imperialist aggression. In a certain sense, we can say that the founding of the PRC marked the beginning of a great rejuvenation of Chinese civilization under the socialist system. Since the 3d Plenary Session of the 11th CPC Central Committee, China has entered a new historical period of socialist development. The rejuvenation drive has gained more powerful vigor and vitality. Under the new historical conditions, we must vigorously advocate patriotism and develop our national spirit of making unremitting efforts to improve ourselves. In order to realize the common ideals of the people of all nationalities in our country, we must respect, protect, and develop all positive ideas and spirit that are favorable to the four modernizations construction, China's rejuvenation, and the reunification of the motherland; all positive ideas and spirit that are good for the state, the nation, the society, and the people; and all positive ideas and spirit for striving for a better life through honest labor.

In order to strengthen the building of socialist spiritual civilization, it is also necessary to encourage and cultivate in the whole society the pioneering spirit of hard struggle. In the course of fighting for the realization of socialist modernizations, especially in the initial stage of socialism, the spirit of building an enterprise through arduous effort and building up the country through thrift and hard work is a demand of the building of socialist material civilization and an indispensable content of the building of socialist spiritual civilization.

In his speech to mark the 40th anniversary of the founding of the state, Comrade Jiang Zemin particularly emphasized the importance of strengthening education in self-reliance and hard struggle. Over the past few years, our country has experienced some great and profound changes. The great majority of the 1.1 billion people have solved their problem of food and clothing, and in some areas, people have begun to advance toward a higher level of being comparatively well-off. However, the standard of living of the Chinese people as a whole is still rather low compared with the economically developed industrial countries. Under such a situation, how can we achieve greater successes if we do not require the whole society, the whole nation, and the broad masses of cadres and people to acquire and develop the spirit of hard struggle and the spirit of building up the country through thrift and hard work? At present, however, some people have been influenced by some unhealthy tendencies such as going in for ostentation and extravagance and are blindly pursuing high consumption. Some are even regarding the glorious tradition of building an enterprise through arduous effort and building up the country through thrift and hard work as something "outdated." This must arouse our serious attention. We must clearly understand that in the building of socialist modernizations we shall have no other way out if we do not rely on our own efforts and build our country

through thrift and hard work. Therefore, it is always an important task for the building of socialist spiritual civilization to cultivate the pioneering spirit of hard struggle in the whole society.

'Reactionary Forces' Viewed

HK0312192889 Beijing JIEFANGJUN BAO
in Chinese 9 Nov 89 p 2

[Twenty-fourth article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Bai Keming (4101 0344 2494): "Why Should We Maintain Sharp Vigilance Against the 'Peaceful Evolution' Scheme of the International Reactionary Forces?"]

[Text] The socialist system came into being for the first time after the victory of the Russian October Revolution. Since the emergence of this most advanced social system, the international monopoly bourgeoisie, especially their most reactionary forces, have never stopped their infiltration, sabotage, and subversive activities against the socialist countries. Having suffered failures in their armed intervention and military aggressions, they have placed more hopes on the strategy of "peaceful evolution." This strategy is backed by the military deterrent force and is aimed at changing the nature of the socialist countries by fostering the hostile forces within the socialist countries through political, ideological, and cultural infiltration, organizing political opposition factions, and fighting a "world war without the smoke of gunpowder," so that they might "achieve victory without fighting." Especially since the 1980's, as the socialist countries have encountered certain temporary difficulties in their development, the international monopoly bourgeoisie has stepped up their strategy of "peaceful evolution." Thus, the socialist countries are faced with a more serious threat of "peaceful evolution" than ever before.

Being a big socialist country, China is always an important target of the international reactionary forces in carrying out their "peaceful evolution" scheme. Since China's reform and opening began, a basic scheme of the international monopoly bourgeoisie and reactionary forces in carrying out the "peaceful evolution" strategy is to exert influence on and change the socialist orientation of China's reform and opening up. They have tried a thousand and one ways to bring about a fundamental change in our social system by leading our economic and political structural reforms astray. Politically, they have attempted to abolish the leadership of the Communist Party and replace it with a bourgeois multiparty system. Economically, they have tried to abolish public ownership and replace it with capitalist private ownership so that they can place China under the rule of international monopoly capital and bring it into the so-called "free world." It seems to them that China's opening to the outside world is a good opportunity for them to carry out their "peaceful evolution" strategy. In order to attain their goal, the international monopoly bourgeoisie and

reactionary forces have mainly carried out the following infiltration, sabotage, and subversive activities in the recent period:

First, to conduct ideological and cultural infiltration. Some representatives of Western monopoly bourgeoisie have made no secret of their scheme of making ideological infiltration toward the socialist countries. They hold that as "the power of ideology will play a decisive role" in effecting peaceful evolution in the socialist countries, it is necessary to take the opportunity of China's reform and opening to conduct spiritual infiltration into China through economic and trade contracts and cultural exchange. They seek to influence China with Western civilization so that it may take the road of liberalization.

Second, to forcefully foster opposition factions within our party and state by giving them spiritual and material support and further develop them into opposition parties so that they may seize political power. The international monopoly bourgeoisie and reactionary forces know very well that the easiest way to capture a fortress is from within. Over the past few years, they have been actively seeking and fostering their agents in our party and government organizations. An American politician once said openly that the United States should train a number of "U.S. hands" in China, who can understand the policies of the United States and have pro-U.S. ideas. This tactic has really achieved certain "successes" in recent years. Fang Lizhi, Yan Jiaqi, Chen Yizi and the like are representatives of the antiparty and antisocialist political opposition faction fostered by the international reactionary forces. The turmoil and counterrevolutionary riot in the late spring and early summer days this year were actually instigated and plotted by them in collaboration with the international reactionary forces.

Third, to bind China to international monopoly capital through so-called economic and technological cooperation. Apart from ideological and cultural infiltration, the international reactionary forces have also tried a thousand and one ways to bind China to international monopoly capital through developing economic and technological relations with us. Their purpose is to turn China into their dependency in the political field.

The ideological and political infiltration by the international reactionary forces could be seen more clearly and obviously during the recent turmoil. They use the media on all possible occasions to create rumors and confuse the people's minds. They also did their utmost to help and guide a small number of liberalization advocates and organized the so-called "support" activities in some places. How they wished they could overthrow China's socialist system all at once. After we achieved the decisive victory in stopping the turmoil and suppressing the counterrevolutionary riot, they even tore off their masks of "peace" and "friendship" and flagrantly interfered in our internal affairs. They also incited others to take sanctions against our country. The occurrence of this turmoil and counterrevolutionary riot has taught us an important lesson. That is, while deepening reform and

continuing to open up to the outside world, we must maintain sharp vigilance against the "peaceful evolution" scheme of the international monopoly bourgeoisie and reactionary forces.

State Begins Trial of New Civil Service System

OW0512184089 Beijing XINHUA in English
1506 GMT 5 Dec 89

[Text] Katmandu, December 5 (XINHUA)—China has started a trial run of a new state civil service system in six ministries and commissions under the State Council, the highest government administrative body, aimed at improving government efficiency.

This remark was made by the Vice Minister of the Personnel Ministry Zhang Zhijian at the 13th General Assembly of the Eastern Regional Organization for Public Administration (EROPA), which opened here today.

The new system will include competitive and open examination and recruitment, position classification, training, merit evaluation and promotion, and salary and welfare treatment.

"We plan to expand it to a grander scale next year," he said, adding that the system will be set up throughout the country in the near future.

For this purpose, he noted, China drafted provisional regulations and auxiliary laws, and established the Ministry of Personnel to take charge of the civil service.

This is the first time China participated in the EROPA meeting, which resulted in the election of Vice Minister Zhang to the position of vice president of the assembly.

Government Speeds Labor Law Draft Process

HK2811003089 Beijing CHINA DAILY in English
28 Nov 89 p 1

[By staff reporter Wen Jia]

[Text] A long missing gap in this country's legal statutes will be filled beginning next year, when the first set of Labour Laws of the People's Republic of China is formulated.

Drafting of the first of such laws over the past four decades has been speeded up recently to protect labourers' interest, CHINA DAILY has been told.

The law will lead to a whole system of about 10 labour laws and more than 20 regulations, which will be built up in the next three to five years.

Currently the country has few labour regulations and administrative rules are very limited.

Xing Xinmin, an official in the Ministry of Labour, said "the law is a basic for labourers" as the country institutionalizes its social and industrial life.

The law, which covers the various fields in social production, includes employment, wages and insurance and will ensure that labourers enjoy the masters' role in the country, according to Xing.

The lack of labour laws over the past decades has led to many "regrettable consequences" in the country, according to experts.

Some enterprises evade punishment after they have unduly penalized and dismissed employees or increased working hours at will. Sometimes violent actions follow when workers' grievances cannot be solved properly.

Xing attributed the depression partly to negligence by leaders in related departments.

The country has adopted a large number of laws governing many fields and has been a healthy flourish in legislative literature in the past decade. It also participates in or commits itself to 15 international labour conventions.

"It's urgent now to promulgate labour laws in the country," said Xing, chief of the Laws and Regulation Division in the ministry's Policy and Legislation Department.

He said that conditions for the execution of the Labour Laws are now ripe thanks to the reforms in labour systems and improvement of the general legislative environment.

The ministry's Drafting Committee of the Labour Laws, set up last February, has completed the third draft.

The committee is holding forums on the laws next month in four of the seven parts of the country, namely the North, the East, the Northwest and the Northeast. Not included are the central, southern and southwestern parts.

The law is expected to be handed over to the State Council next year and then to the National People's Congress for approval.

"We're drawing from the experiences of foreign countries in the formulation of China's Labour Laws," Xing said.

Also on their agenda next year are laws governing safety and sanitation in mines, labour contracts and professional training, and regulations on wages and working hours.

NPC's Ngapoi Writes on Minority Nationality Work

HK1911074089 Beijing RENMIN RIBAO in Chinese
4 Nov 89 p 4

[Article by Ngapoi Ngawang Jigme: "Work in Minority Nationality Autonomous Areas Must be Carried Out in Accordance With Law—Commemorating the Fifth Anniversary of the Implementation of the 'Law on Regional Autonomy for Minority Nationalities'"]

[Text] Regional autonomy for minority nationalities is a basic policy of the CPC in resolving our country's minority nationality question through Marxism-Leninism and is an important political system of the state. This policy and system for resolving our country's minority nationality question are a product of combining the universal truths of Marxism-Leninism with the specific situation of China's nationality structure, and are important manifestations of Mao Zedong Thought.

Since the establishment of Inner Mongolia Autonomous Region as the first minority nationality autonomous area on 1 May 1947, 40 years of history have proven that the implementation of regional autonomy for minority nationalities accords with China's national situation and is the only correct system for resolving our minority nationality question. It is because it is a correct system that for the last several decades it has been continually subject to attacks, sullying, and damage from both domestic and foreign enemies. During the 10 years of catastrophe, the Lin Biao and Jiang Qing counterrevolutionary cliques tried through all manner and means to abolish and destroy the system of regional autonomy for minority nationalities. A very small number of splittists obstinately persist with ideas of independence for Tibet, vainly try to split the motherland's unity, and want to replace the Tibet Autonomous Region with so-called "Tibetan independence." During the recent counterrevolutionary rebellion in Beijing, in comments aimed at the system of regional autonomy for minority nationalities, some people claimed that if there was a desire to resolve the "Tibetan problem" and other problems, "it is necessary to establish a federal state with a multi-party political system." They want to use the so-called "federal system" to replace our system of regional autonomy for minority nationalities. These various actions by these hostile forces have alerted us to the fact that if we in China are to maintain the unity of the state, the unity of nationalities, and the common prosperity of the various nationalities, it is necessary to persist with the implementation of regional autonomy for minority nationalities.

The law of regional autonomy for minority nationalities is a law which adheres to the four cardinal principles, a law which adheres to the idea that minority nationality autonomous areas must reform and open up, and a law which adheres to the idea of centralizing all efforts in engaging in socialist modernization and promoting the common prosperity of all nationalities. In seriously implementing this law, there is a need to depend on an improvement in the level of the broad number of cadres of state organs in terms of their knowledge of Marxist-Leninist nationality theory and nationality policies and laws, and a need to depend on the establishment of a proletarian nationality viewpoint. It should be said that, in the last few years, there has been a general weakening of education in Marxist-Leninist nationality theory and nationality policies. Many cadres, including a large number of cadres who have been newly promoted to leading posts, are not familiar with nationality policies

and laws. In particular, they do not understand the important position which minority nationality regional autonomy policies hold in our country's political life. For some time now, bourgeois nationalist ideas have been growing, and some publications and literary and art works have continually depicted things which are insulting to minority nationalities and damage socialist nationality relationships. All of these things are serious ideological obstacles to the implementation of the law on regional autonomy for minority nationalities. We must draw lessons from this, strengthen research in, propagation of, and education in Marxist-Leninist nationality theory and strengthen propaganda and education in nationality policies and nationality laws so as to sweep away the ideological obstacles to the serious implementation of regional autonomy for minority nationalities. Our system of regional autonomy for minority nationalities is stipulated in the constitution. The "PRC Law on Regional Autonomy for Minority Nationalities" which was passed at the Second Plenary Session of the Sixth NPC in 1984, laid down the basic scope of our country's system of regional autonomy for minority nationalities. The promulgation and implementation of this law showed that our country's implementation of regional autonomy for minority nationalities and the work of our state organs in respect of minority nationality autonomous areas had entered a stage in which there are laws on which to depend and in which matters are handled in accordance with the law. Comrade Deng Xiaoping in his article "The Reform of Party and State Leadership Systems" noted: "We must ensure that all minority nationalities implement minority nationality regional autonomy." Today, if we are to firmly ensure that the various minority nationalities truly implement minority nationality regional autonomy, we must persist in handling matters in accordance with the law on regional autonomy for minority nationalities. This is an indispensable legal concept which the broad number of cadres of the various levels of state organs in our multi-ethnic country should establish today.

The system of regional autonomy for minority nationalities involves, on the political level, two basic concepts: The first is that the state structural form of our multi-ethnic state is not a "federal system" but a unitary system. The NPC is the highest organ of state power, the State Council is the highest state executive organ of the central people's government, and the central state organs implement unified leadership throughout the whole country. The other is that the areas in which the various minority nationalities live in compact communities implement regional autonomy, establish autonomous organs, and exercise autonomous rights. The various minority nationality autonomous areas are not "states" and are not "republics", but are local administrative regions. The autonomous organs are local organs of state power, and the various minority nationality autonomous areas are all inalienable parts of the state and must submit themselves to unified leadership by the state. The law on regional autonomy for minority nationalities sets

down specific stipulations on these two issues. It stipulates both how the state should lead, manage, and help the minority nationality autonomous areas and how the organs of autonomy of the minority nationality autonomous areas can exercise rights of autonomy. It stipulates how the state will guarantee the equal rights of minority nationalities and the autonomous rights of minority nationality autonomous areas. It also stipulates how the organs of autonomy of minority nationality autonomous areas must safeguard the unity of the state, guarantee compliance with and implementation of the constitution and laws in their area, and actively fulfil the tasks which higher-level state organs hand down to them. These stipulations maintain, on the political and legal levels, the unity of the state and the unity of the nationalities. The law on regional autonomy for minority nationalities has been in force for 5 years since its implementation and it has already struck deep roots in the hearts of the broad masses of minority nationalities. They see this law as a crystallization of the basic interests of the state and their own nationality and they have tightly linked the implementation of this law with the progress of the state and with the fate and basic interests of their nationality. If this major law, which has struck such deep roots among the broad masses of minority nationalities, is not seriously implemented, the unity of the state and the unity of the nationalities will not be guaranteed. If the state, in dealings with minority nationality autonomous regions and the various minority nationalities, is unable to handle matters in accordance with the law, then on a major issue, it will lose the trust of the people and lose the trust of minority nationalities. This point should be given sufficient attention by our state organs and our state cadres.

On the basis of the long period of work which has been carried out in respect to minority nationality regional autonomy since the founding of the PRC, over the last 5 years, the implementation throughout the country of the political articles stipulated in the law on regional autonomy for minority nationalities can be said to have been successful. First, during the period from the promulgation and implementation of the law on regional autonomy for minority nationalities to the 40th anniversary of the PRC, the State Council and various provinces and regions have adopted positive measures and newly established 49 autonomous counties. These measures have enabled a large number of areas where minority nationality peoples live in compact communities, including some areas where the minority nationality status of some Manchu and Tujia people has been recently revived, to achieve their long-term wish for autonomy. Second, according to the law on regional autonomy for minority nationalities, all minority nationality autonomous areas manifest, in the minority nationality structure of their organs of autonomy, the spirit of the minority nationality as the master in regional autonomy and as the manager of the internal affairs of the minority nationality. In the various minority nationality autonomous areas, the proportion of which minority nationality staff and workers constitute the the

local contingent of staff and workers has, over the last 5 years, risen widely. Third, the people's congresses of many minority nationality autonomous regions have, in accordance with the law, been stipulating regulations on the exercise of autonomy and other specific regulations. The people's congress standing committees and people's governments of some multi-ethnic provinces are formulating and implementing local laws and administrative regulations in accordance with the law on regional autonomy for minority nationalities. By the end of September 1989, 20 autonomous prefectures and 38 autonomous counties throughout the country had promulgated regulations on the exercise of autonomy, and 6 multi-ethnic provinces had promulgated regulations on implementing the law on regional autonomy for minority nationalities. These various aspects of legislative work being carried out in coordination with the law on regional autonomy for minority nationalities are important measures in implementing the law and in perfecting the system of regional autonomy for minority nationalities. The serious implementation of the relevant political articles in the law on regional autonomy for minority nationalities has been beneficial in stabilizing the border areas, beneficial to the formation of a situation of stability and unity throughout the country, and beneficial in motivating the enthusiasm of the people of all nationalities for developing production and bringing prosperity to the cause of economic and cultural construction. This is very obvious.

However, in the implementation of relevant political articles of the law on regional autonomy for minority nationalities, there also exist many problems. At present, problems in two areas are most prominent: First, there are disputes over the borders of some minority nationality autonomous areas which have still not been settled. Further, when there are changes made to the administrative divisions' minority nationality autonomous areas, sometimes consultation is insufficient, resulting in some minority nationalities feeling that their autonomous rights are not being respected. Second, while the five major autonomous regions are engaged in the work of formulating regulations on the exercise of autonomy, for various reasons, not even one has promulgated and implemented such regulations. This is related to the problem of how the organs of autonomy in the autonomous regions are to exercise the rights of autonomy in accordance with the law. It also involves the question of how the relevant ministries and commissions of the State Council are going to formulate the necessary policies and measures, in accordance with the spirit of the autonomy law and in accordance with the special situation of the minority nationality regions, so as to promote as quickly as possible the economic and cultural development of autonomous areas. The five autonomous regions hope that the NPC Standing Committee and the State Council will put great efforts into helping and supporting the autonomous regions to quickly formulate their regulations on the exercise of autonomy.

The major mission of the times of the law on regional autonomy for minority nationalities is the guaranteeing,

through a legislative form, of the rapid economic and cultural development of the various minority nationality regions and promoting the common prosperity of the various nationalities of the whole country. To ensure that this major historical mission is smoothly implemented, the law on regional autonomy for minority nationalities sets down standards, on the financial, economic, and cultural levels, in two respects: First, it stipulates that the organs of autonomy of the minority nationality autonomous regions can, on the financial, economic, and cultural levels, exercise rights of autonomy in accordance with the law. Second, it stipulates that, on the principle that the upper-level state organs provide leadership to the autonomous regions in their economic and cultural construction, the upper levels will provide assistance in terms of finances, goods and materials, and technology, and that, in the development of resources in minority nationality autonomous areas, they will pay attention to local economic interests. Thus, the articles and measures on financial, economic, cultural, and educational aspects stipulated in the autonomy law require both that the autonomous areas correctly exercise the rights of autonomy in accordance with the law and also that the upper-level state organs carry out their own due responsibilities in accordance with the law. The implementation of these aspects of the law on regional autonomy for minority nationalities cannot be realized just by having the autonomous areas playing their part. It requires both sides to play their respective roles. On this question, the experiences over the last 5 years since the implementation of the law show that, as far as the state organs are concerned, and in particular as far as the State Council is concerned, the state has made great efforts in providing the five major autonomous regions and three multi-ethnic provinces with great support and assistance on the financial, goods and materials, and technological levels. In particular, it has given great assistance to the Tibetan Autonomous Region. However, the comrades of the autonomous regions and multi-ethnic provinces say that in the 5 years since the implementation of the law, the leadership practices in the economic work of minority nationality autonomous regions, the financial management systems, and the ways in which resources are developed in these regions have been basically the same as they were before the law on regional autonomy for minority nationalities was promulgated. They also say that necessary new measures in accordance with the law have not been adopted. For example, people do not proceed from the actual situation of the minority nationality autonomous areas, and the phenomenon whereby resolutions, decisions, orders, and directives for minority autonomous areas are issued in a uniform way still exists to a serious degree. In the development and exploitation of resources in minority nationality areas, how to properly consider local interests is still one of the "old, major, and difficult" problems. In respect to financial support for minority nationality areas, no complete stipulations have yet been set down. Further, because of the implementation of the coastal strategy, the disparity between the social and economic development in the minority

nationality autonomous areas and that in the other places in the hinterland and the southeast coastal regions is becoming increasingly wide. In respect to the policy of opening up to the outside world, there has been daring relaxation in the south-east coastal areas, and they have been given more power and allowed to retain more profits. However, the hinterland border areas in the northeast, northwest, and the the southeast have not been opened up enough, and the policies are still too tight. This has meant that these minority areas have found it difficult to develop their own resource and geographical advantages. The minority nationality autonomous areas have often expressed concern over such problems. At the 1988 national minority nationality unity progress commendation meeting, Comrade Chen Junsheng [7115 0193 3932], as representative of the State Council, promulgated a series of "necessary measures" to be adopted in supporting the economic development of minority nationality regions. This was a major step by the State Council in guaranteeing the implementation of the law on regional autonomy for minority nationalities. At that time, the measures were warmly welcomed by the people of all nationalities throughout the country, and all minority nationality autonomous areas had great hopes for the implementation of these measures. After a year or so, although the functional departments of the State Council have done a lot of work, there are still many problems which have not been properly handled.

It should be said that, in leading and supporting the economic and cultural construction of minority nationality autonomous areas, many multi-ethnic provinces and autonomous regions have, in accordance with the stipulations of the law on regional autonomy for minority nationality areas, made great efforts and done much work for their subordinate autonomous prefectures and counties. In this work they have realized marked achievements. First, as has been noted above, Sichuan, Yunnan, Gansu, Qinghai, Guangdong, and Hubei have promulgated specific regulations related to the implementation of the law on regional autonomy for minority nationalities. These manifest the leadership principles of proceeding from the actual situation in their subordinate autonomous areas and paying attention to the special characteristics of the autonomous areas. They also manifest the spirit of providing support to the minority nationality autonomous areas on the financial, goods and materials, and technological levels, as well as the handing down of power to and allowing the retention of profits by these areas. Second, many multi-ethnic provinces have put great efforts into coordinating with their subordinate autonomous areas in the drafting, examination, and approval of regulations on the exercise of autonomy. In this respect, the provinces of Yunnan, Guizhou, Hunan, and Gansu have been particularly prominent. The regulations on the exercise of autonomy formulated by the autonomous areas are a major part of exercising autonomy in accordance with the law, and are also a major legislative guarantee for the implementation

of the autonomy law in an overall way in the autonomous areas and for the exercise of the rights of autonomy. From the contents of the regulations on the exercise of autonomy already promulgated and implemented by over 50 autonomous prefectures and counties, we can see that they all proceed from the actual situation of the area and set down realistic and feasible production and construction plans. This thus ends the practice which has existed for a long time, whereby measures have been divorced from the actual situation and have led to tardiness in economic development. They all proceed from the characteristics of the local nationality structure and in the nationality composition of the organ of autonomy, and they have stipulated cadre deployment principles which both give prominence to the dominant nationality and are beneficial to the unity of the nationalities. The regulations on exercise of autonomy and the specific regulation which have been promulgated by various areas are now gradually being implemented. The role of nationality legal work over the last few years in the setting down of regulations for the exercise of autonomy and other specific regulations and the promulgation of such regulations should be fully affirmed. After the promulgation of the law of regional autonomy for minority nationality areas, the Jilin provincial party committee and provincial government decided to hand down 18 enterprises under the province which are situated in the Yanbian Korean Nationality Autonomous Prefecture to the autonomous prefecture to manage through the contract system. No distinction was made between profit-making and loss-making enterprises, and those handed down included an enterprises which was a major profit-maker and tax-payer for the province. Since these enterprises were handed down, results have been good. In terms of the right of autonomy, whereby the autonomous prefecture manages in an overall way, the local economic construction has been implemented, and this has strengthened the sense of responsibility and motivation of the people of all nationalities in the autonomous prefecture. It has also been beneficial in having the prefecture make overall arrangements for the prefectural economy, beneficial in protecting and rationally developing and utilizing natural resources, and beneficial for the adoption of special policies and flexible measures to strengthen the vigor of enterprises. Since being handed down to the prefecture, these enterprises have doubled their profits and tax payments, and this has been of benefit to both the autonomous prefecture and the state. We should take beneficial enlightenment from the experiences of Jilin Province in implementing the autonomy law.

Many minority nationality autonomous regions have indicated that the stipulations of the minority nationality regional autonomy law on rights of autonomy in the economic sphere are quite theoretical in nature, and it is difficult to concretely implement them. It goes without saying that some of the stipulations in respect to economic questions in the law on regional autonomy for minority nationalities tend to set down principles rather than specific requirements. This is because the disparity

between the situations of different minority nationality autonomous regions are quite great, and it is difficult to be too specific in the stipulations. Also in 1984 when the law on regional autonomy for minority nationalities was promulgated, our country's economic structural reforms had just begun, and there were many problems on the economic level which required further summing up of experiences. Thus, it was not considered prudent to set things down in too fixed a way. Seen from the experiences of practice in the various places, in order to facilitate the implementation of the autonomy law, there is a need for the State Council to formulate specific detailed rules and measures. In particular, stipulations on economic questions in the law need to be made more concrete through relevant stipulations by the State Council. This is the most pressing demand by autonomous areas at present in their implementation of the autonomy law. In Comrade Jiang Zeming's "Speech At the Meeting in Celebration of the 40th Anniversary of the Founding of The PRC", it was strongly pointed out: "We must improve the building of a legal system aimed at strengthening the regional autonomy of minority nationalities." This is in complete accord with the wishes of the people of all nationalities throughout the country. I believe that the relevant departments and commissions of the State Council should, in formulating measures for implementing the law of regional autonomy for minority nationalities, take the building of a legal system aimed at strengthening the autonomy of minority nationalities as an urgent task.

In a speech at a work conference on helping the poor in minority nationality areas, Comrade Jiang Zemin pointed out: "The 'Law on Regional Autonomy for Minority Nationalities' is a scientific summation of the experiences of our country in implementing the system of regional autonomy for minority nationalities. We must seriously organize its implementation." The serious implementation of the law of regional autonomy for minority nationalities is important for the unity of the state and the unity of nationalities and has an important bearing on the common development and common prosperity of all the nationalities of our country. Let us struggle together, earnestly implement the law of regional autonomy for minority nationalities, and do well and make greater contributions in all aspects of work in minority nationality autonomous areas.

Early Start Considered for Three Gorges

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in English 18 Nov 89 pp 1, 6

[By Cheung Po-ling in Beijing]

[Text] A report calling for an early start to the controversial Three Gorges hydro-power project has been submitted to China's State Council for a final decision.

The huge scheme—under fire for environmental and cost reasons—was at one time considered unlikely to go ahead in the near future.

But it has gained favour under the post-June 4 hard-line government and is backed by Premier Li Peng.

An early start was recommended in a feasibility report endorsed by more than 400 mainland specialists, which was released last month.

Mr Guo Jingli, a member of the Technical Commission of the Preparatory Office of China Three Gorges Project Development Corporation, said the report was submitted to the State Council last month.

Analysts said it was strange that this should be done for such an expensive project at a time the Government was pushing for austerity.

At 1986 prices, the project was estimated to cost 36 billion yuan (HK\$75.6 billion).

It involves the construction of power stations and the world's largest dam in the Xiling Gorge, the easternmost of the Three Gorges along the Yangtze River.

The project would drown some of the Yangtze's most spectacular reaches and displace millions of people.

Opponents, including renowned scientists and intellectuals such as Professor Qian Jiaqu and Mr Zhou Peiyuan, both members of the Chinese People's Political Consultative Conference, and prominent journalist Dai Qing, said the dam would cause more problems than it was worth.

They also said that in a time when the country was lacking funds, money ought to be used to meet urgent needs such as investment in education.

Vice-premier Yao Yilin, who is also the director of the coordination group on the project under the State Council, said last January that it was impossible to start the project in the next five years, although the plan was strongly backed by premier Li.

However, the lengthy report submitted to the State Council last month concluded that "it's better to build it rather than not to build it", and "it's more advantageous to build it earlier than later".

Mr Guo said that the report was endorsed by 402 of the 412 specialists who studied the pros and cons from 1986 to 1988.

Those who opposed it handed in dissenting opinions.

Informed sources said the Ministry of Water Conservancy and Hydropower and the Preparatory Office had launched a campaign to convince the public of the project's worth.

A slide show highlighting the benefits of the project is being shown at an international exhibition on water conservancy now underway in Beijing.

QIUSHI Criticizes 'Social Elite,' Zhao

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[Article by Wu Jianguo (0702 1696 0948): "On the Root Cause of the Phenomenon of Corruption—Analysis on Relationship Between Bourgeois Liberalization and the Phenomenon of Corruption"]

[Text] The phenomenon of corruption has shockingly multiplied in all forms in society and even inside the party in recent years. Cadres and people have held strong resentment against it, and demanded severe punishment and preventive measures. Such anxieties over the nation's fate are understandable, and fall in line with the attitude of the party and government. It is precisely based on such understanding that the party and government have adopted some necessary and powerful measures to eliminate corruption and to do a good job in building clean government. To my mind, however, to perseveringly carry out the struggle against corruption in depth with satisfactory effects involves the solution to some issues in understanding.

Generally speaking, corruption is common in all societies where exploiting classes exist. But how could it have ever surfaced and spread in our socialist society and inside our Communist Party? How could it have developed to so grave a degree in recent years? Obviously, it is a matter of great importance for us to clarify its root cause as well as the cause-and-effect relationship. Should the true root cause be confused, and the cause-and-effect relationship be turned upside down, people would be led to a false understanding and mistakes. An ancient saying goes: "Curing the symptoms rather than the root cause of the trouble is like rescuing a sinking hammer by throwing stones at it, and putting out a fire with fuel." However, those who advocate bourgeois liberalization have precisely worked out a plot in theory with ill intentions—to contribute the phenomenon of corruption to the socialist system in a vain attempt to confuse things and lead people's thinking astray.

People will not forget that back in the early 1980's, some people in the theoretical circles started a clamor of the so-called theory of socialist "alienation." They clamored: "Without exception," the socialist system and the communist leadership would inevitably lead to "alienation" because of their own activities, namely, going to their opposite. All malpractices in our society and inside the party are offsprings of such "alienation." What are the direct consequences of such "alienation"? In their own words, it was because of the changes to "feudalism" and "autocracy" that leadership and administrative power of party organs at all levels had reduced to a feudal autocratic system. A female "elite" Ge Yang [2047 2799] put it even more bluntly: "In reality, China's socialism is essential a feudal society. The head of the state is inevitably the emperor." To demonstrate the rationality of their "views," they dug into the long Chinese history of feudal autocracy to find its corresponding relationship

with reality, and attempted to prove that our party, country and nation have been soaked in the muddy water of the feudal tradition, and shrouded in the shadow of feudal autocratic tradition, from which, they believed, the root cause of the phenomenon of corruption in every description could be traced. Therefore, while openly hoisting the banner "to oppose feudalism," they also openly hoisted the banner "to oppose corruption." Later, such slogans became strategic for such people to bewilder others into plotting and organizing the recent turmoil and counterrevolutionary rebellion. For a while, they did succeed in taking in some innocent and kindhearted people. Now it is time to clarify the right from wrong of this major issue.

So long as people do some serious thinking, they will not find it difficult to see how absurd and irrational it is to explain the abnormalities in socialist society with the so-called socialist "alienation." The socialist system is a brand-new social system which regards eliminating exploitation as its purpose, and realizing the total split from private ownership and the concept of private ownership based on private ownership as its bound duty. How can it "alienate" things that run counter to itself? Regarding its nature, the socialist system is repellent to, and basically opposite to the phenomenon of corruption in any form. However, the existence of the phenomenon of corruption is the cold fact before us. Hence, the perplexity of some people. In fact, such a "contradiction" had long been in Marx's forecast. In his book "Critique of the Gotha Programme," Marx wrote: "The communist society we refer to here is not developed on its own basis; on the contrary, it is derived from the capitalist society. Therefore, in many of its aspects, economic, ethical, and spiritual, it still carries marks inherited from the old society."

Direct practice of the doctrine of scientific socialism took place in the wake of the birth of the Soviet, the marks and blood stains brought along from the womb of the Russian capitalist system were deeper and filthier, and their meanings and essences far more extensive than expected. Consequently, Lenin said the following as a warning: "When the old society perishes, its corpse cannot be put into a coffin and buried in a tomb. It will decay and sting among us, while it will poison us." What conclusion can we draw from Marx's scientific forecast and Lenin's summation of realistic struggles? It goes precisely as follow: The malpractices and corruption in the reality of the socialist society are not derived from the socialist system itself, but the marks of the old society as well as the consequences of the poisoning of the corpse of the destructed old society. In other words, the cause of the abnormalities surfacing in the socialist society including the Communist Party itself do not lie in themselves but in the deterioration of some alien forces, moreover, such a deteriorating function can be very strong.

A basic tenet of historical materialism is that social being determines social ideology. Changes in social ideology more often than not lag behind those in social being. To

realize mankind's ultimate ideal—the building of a new world free of oppression and exploitation on earth, numerous communists devoted their lives to “pave the way” in “approaching their goal,” eventually breaking through the weak links of the old world and planting their roots in some countries. However, they have not gotten away, nor is it possible for them to completely get away, from the “involvement” of the old world. Tracing history, we found that private ownership has gone on for several thousands of years since the disintegration of the primitive commune. It is imaginable how powerful the sense of private ownership can be. Whereas socialist public ownership only has a history of 70-odd years. Can we imagine that it is possible to cut all its links with the old society in such a short span in history? Take a look at the whole world: The victory of socialism did not take place simultaneously in many major socialist countries, but broke through in a single country which was comparatively backward. Generally speaking, the capitalist system with a history of some 400 years is far from complete disintegration; on the contrary, it has enjoyed rather great development at a higher plane through its own readjustment, whereas socialism is still at a rather immature initial phase or at the starting point of a comparatively developed state. This situation makes the issue all the more complicated. Not only every socialist country, on its own soil, is “involved” in some negative factors in the history of that particular nation, but in a certain sense, it faces the realistic encirclement or “encirclement and suppression” by world capitalists. We may say that this is the major root cause of the “harassments” infringing upon socialist countries from all sides at present.

From the latter half of the 19th century to the mid-20th century, shocking economic and social crises took place in the capitalist world on several occasions, even they themselves often uttered panicky cries as if it was “the end of the world.” Amidst the crises of the capitalist world, the colonial and semicolonial strife for national emancipation was surging forward, and the proletarian revolution swept across the world with great momentum. The merger of these two forces powerfully pounded at world capital and the imperialist camp. In those days, all they could do was to go all out to save the dangerous situation that might lead to their general collapse, in a vain attempt to bring down the colonial and semicolonial emancipation movement as well as the newly born socialist system. However, all such efforts were doomed to failure, because the birth of the socialist system was the offspring of the basic social contradictions in the old world, which could in no way eliminate the basic contradictions in itself. Consequently, they could in no way prevent the outbreak and victory of revolution. In reviewing the course of development of the international communist movement, it is needless to evade the fact that we were over optimistic in assessing the revolutionary situation whether in theory or practice. We used to imagine that it was possible to bury the entire capitalist system on the strength of the shock wave and chain reaction produced by the the old world's “fission.” At

the same time, almost no country was fully prepared for the difficulties involved in building a new world, and they invariably hoped to realize their ideal in a comparatively short period of time. Obviously, such ideas are impractical.

What reality are we facing in today's world? Having gone through repeated strong “earthquakes,” the capitalists have relatively stabilized and begun to restore their “confidence.” Now they want to “patch up” the old world, which has already gone through a “fission,” by changing the “one globe, two systems” into the “one globe, one system,” which is to come completely under capitalist control. From their own experiences and lessons, however, they came to see that by resorting to forces in “open aggression, the price can be higher.” To cope with socialism, therefore, a new strategy has come into being, namely “peaceful evolution.” Openly they said that they would fight “a new world war” without firing a bullet while they would melt and annex socialism in 20 or 30 years. But how are they to do it? It is precisely to sow “the seed of freedom” in socialist countries, to cultivate the influences of “liberalization,” to conduct extensive political, economic, ideological and cultural infiltration, to “win people over by disintegrating their minds” with “Western values.” Thus they will “shake the old tree, and uproot it, while they will plant new forests on the land, from which they will reap fruit.” That is precisely the major international background and “major climate” of our times as well as the chief danger, which all socialist countries must be vigilant of and guard against. Facts have told us that this “new world war” is going on in extreme acuteness and intensity.

Lenin said: The absolute requirement of Marxist methodology is to place an issue in a specific historical realm. To my mind, the “absolute requirement” of this methodology must also be observed in the investigation of the root cause of the phenomenon of corruption in the socialist society including the party. Specifically speaking, does the phenomenon of corruption which has been in a rage in recent years find its root cause in, and share a cause-and-effect relationship with the major international background or “major climate” as mentioned above? In my opinion, that is precisely the root cause of such phenomenon of corruption. Beyond a doubt, such a conclusion will anger those people who stubbornly hold fast to the position of bourgeois liberalization. Because that will tear apart their mask of “anti-corruption,” while it will destroy the framework and support of their logic based on lies and slanders: Socialism equals feudalism and feudalism equals corruption. It is precisely by resorting to this logic that they have tried in every way to divert people's attention, and have been set on putting the blame for corruption on the socialist system by saying that the “one party system,” and public ownership “are the hotbed of corruption” and “the root of all evils,” and openly threatened to “toll an early death of public ownership.” In fact, turmoil, counterrevolutionary rebellion, and the phenomenon of corruption in society and the party are basically out of

the same root cause, which is none other than the "major climate" characterized by the "peaceful evolution" pursued by the international capitalists, and the "minor climate," characterized by the rage of bourgeois liberalization at home.

Why should we say so? We might as well make some "extensive and in-depth analysis"! Today, people still miss a lot the "pure and peaceful world" of the early days since the founding of the PRC. The social atmosphere at that time took on a sharp contrast with the corruption under the Kuomintang (KMT) rule. That was a fact universally acknowledged and admired at home and abroad. Despite the tremendous economic difficulties from 1960 to 1962, people nationwide tided over the difficulties under the party's leadership in the first half of the 1960. It was precisely in such an environment that heroes like Lei Feng surfaced. "Lei Feng's spirit" echoed from people all over the country. The "Great Cultural Revolution" that came shortly after ruined our cause, and confused people's thinking. What happened in its wake? That was precisely the increasingly intense ideological trends of bourgeois liberalization, which Comrade Deng Xiaoping had repeatedly pointed out, warned us against, and opposed, but had not been checked because of the existence of an "umbrella." The aggravating degree of such ideological trends was in proportion with or synchronous to the spread of the phenomenon of corruption. Some comrades have put it that the "rapid liberalization" came hand in hand with the "rapid spread of corruption." Should not the complication of the simultaneous appearance of the "rapid liberalization" and "rapid spread of corruption" give us much food for thought?

Of course, things that share proportionate and synchronous relations do not necessarily have a cause-and-effect relationship. However, this cannot but serve as an important "referential coefficient" to determine whether or not the cause-and-effect relationship exists between some matters. Could there be any other "referential coefficient"? I believe that could be the comparison in the qualities and characteristics between bourgeois liberalization and surviving feudal influences. In comparison, we will find the root cause of the phenomenon of corruption, which has been in a rage. Because from whatever angles, there are only the following possibilities for the rise of the phenomenon of corruption: Surviving feudal influences and the rage of bourgeois liberalization, or the merger of the two.

When we rule out the theory of the "alienation" of socialism as in our exploration above, by no means do we neglect the existence and danger of surviving feudal influences. Our People's Republic and socialist system have grown out of a semifeudal and semicolonial society, while the feudal autocratic system had a history of more than 2,000 years in China. Its completion, perfection, and exquision were incomparable to whatever countries in the world. Therefore, any underestimation of its effects can be very harmful. Centering around this issue, the CPC had its own reviewing. Comrade Deng

Xiaoping pointed out: "Our 28-year new democratic revolution that aimed to overthrow the reactionary rule of feudalism and feudal land ownership was successful and thorough. However, we have not completed the task of eliminating surviving feudal influences in the ideological and political aspects because we failed to underestimate its importance and rapidly shifted the new democratic revolution to socialist revolution." Because of the shift from the new democratic revolution to socialist revolution, it was logical to give prominence to the contradiction between the bourgeoisie and the proletariat as the main contradiction, and it was only natural to place the struggle of criticizing bourgeois ideology as a main task on the agenda. Consequently, the objective demand to eliminate surviving feudal influences in the ideological and political aspects was almost covered by the struggle to oppose bourgeois ideology. Beyond a doubt, such momentum was a powerful deterrent to bourgeois ideology and its expressions, which temporarily desisted from its evil ways and disappeared. However, the ghost of feudalism remains. It clings to our socialist system and to the party's body by constantly changing its appearance.

What are the main manifestations of the deteriorating role of the pernicious surviving feudal influences? Regarding them, Comrade Deng Xiaoping has made exhaustive exposure. For example. "As far as the leadership and cadre systems of our party and state are concerned, the major problems are bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts and privileges of various kinds"; "They are also to be seen in, for example, a lingering clan mentality and hierarchy in social relations, in certain instances of assumed inequality of status in the relations between leading comrades and their subordinates and between cadres and the masses, in the weak sense of the rights and duties of citizens, and in certain "mandarin" systems and high-handed work styles in industry, commerce and agriculture...the autocratic style of work of some persons in the cultural sphere...in a closed-door policy and ignorant chauvinism in foreign relations, and so on and forth." All this has some feudal color to certain degrees. In other words, problems and the phenomenon of corruption in every description in all spheres including the leadership structure, social relations, and foreign relations have something to do with the deterioration and poisoning of surviving feudal influences to various degrees. In my view, the pernicious surviving feudal influences are also the important ideological root cause of the long-range erroneous "leftist" tendencies. We can see that through the fanatic personality cult during the "Cultural Revolution"; especially from the evil plot of faked socialism pursued by Lin Biao and the "gang of four" what great disasters such influences are liable to bring us! In addition, we can also feel what resistance they have caused in reform and opening up to realize the four modernizations! That was precisely why Comrade Deng Xiaoping explicitly proposed the task of continuing to eliminate the surviving feudal influences

in the programmatic document "On the Reform of the System of Party and State Leadership."

Obviously, feudalism has a long history and is deep-rooted in China. We cannot expect to thoroughly get rid of its "involvement" overnight. However, I should like to pose a question to the readers: Have the surviving feudal influences been intensified or reduced to a certain degree in the 10 years since the 3d Plenary Session of the 11th Central Committee? Have they been continuously enlarged or gradually reduced in a certain sphere? From an overall view, my answer is the latter. With the implementation of reform and opening up to the outside world, some of the problems cited above have been basically resolved, and others have been basically changed. For example, is it not true that the excessive concentration of power, the life tenure of cadres on leading posts, the autocratic work style in the cultural sphere, and the conditions in foreign affairs have been changed? Should we reach a common understanding of this issue, an irreconcilable contradiction in the logic of bourgeois liberalization will inevitably surface. Why is it that when marked results are scored in our efforts to overcome surviving feudal influences, the phenomenon of corruption has taken on a malicious rising trend in society and even inside the party? I am afraid that we cannot blame it all to feudalism.

True, in the current filthy stream of corruption, we could smell surviving feudal stink, but even more repellent is the strong stench of money, material desire, and lust released from the so-called "emancipation of human nature" of the bourgeoisie. We know that under the capitalist system, money and commodity worship dominates and plays the guiding role. Their world can be one of "commodity fetishism"; money and the individual are everything. Materialism has become the very center of people's souls. The relationship between man and commodities has been completely turned upside down, and human relations are shrouded by money. With money, everything can be bought. For the sake of money, everything can be sold. Money, just as Shakespeare put it, "can turn black into white, the ugly into the beautiful, the lowly into the noble, the old into the young, and the coward into a brave." "In the eyes of the bourgeoisie, all things exist only for money, without exception to their own existence. They live simply to make money, and make it quick at that; they do not know there can be happiness other than that. Nor do they know any pain other than the loss of money." The latter statement is quoted from Engels in his description of the bourgeois mentality. Therefore, to possess more money and wealth, they can be unscrupulous, and take any risk in whatever dirty dealings. Are these not the original dirt and sin of capitalism? Linking this to the current phenomenon of corruption, can we draw any other conclusion on its root cause?

There is another muddle-headed idea, namely, giving vent of one's complaint against corruption to the development of the commodity economy, reform and opening up to the outside world. To people who hold such a view,

it seems that a "foul atmosphere" would never have surfaced should a commodity economy have not been developed, and reform and opening up never been implemented. That would be a great blunder should things be viewed in this way. People holding such a view do not know that the commodity economy as a form of movement cannot be completely done away with, when the productive force has not developed to such a height that it is unnecessary to calculate the prices for the material wealth it creates, and fully meet the needs of all social aspects. As to reform and opening up, they are the essential and inherent requirements of the socialist system itself. Should socialism become something set, absolute, patternized, and unchanged, its vitality and vigor will be suffocated. True, we went through such suffocating times before, but the occurrence of such conditions was mostly out of a wrong understanding of socialism. The concept that sets socialism against reform and opening up to the outside world should be discarded.

We should know that the commodity economy we want to develop is a planned commodity economy with socialist public ownership as its main body. Its entire mechanism is the combination of a planned economy with market regulation. By no means should we let the law of value spontaneously govern everything. What we want is the regulation and restriction by planning and decrees that embody the interests and demands of all the people. Even more, we should refrain from extending the principle of equal value exchange in the commodity operational mechanism to society and even innerparty political life, and eventually turn human relations into commodities. From the very start, reform and opening up have been endowed with special meaning and essences, namely, to complete, perfect, develop and strengthen socialism, but never to change the socialist road. In short, it is imperative to adhere to the four cardinal principles as the groundwork for the development of commodity economy, reform and opening. So long as we always adhere to the four cardinal principles, it is possible to guard against the surfacing of all negative factors and the phenomenon of corruption to the maximum degree in the course of developing commodity economy, reform and opening up to the outside world. Even if such phenomena should occur, it would not be too difficult to overcome them. Whereas the crucial point of bourgeois liberalization is precisely to shake the "groundwork of building our nation." The fact that corruption has become an outstanding problem in our society as well as the party serves only as an explanation to the "seeds of freedom" sowed by international monopoly capitalism have broken through the soil as well as the "El Nino" effects brought about by bourgeois liberalization.

What have those self-styled members of the "social elite" done in recent years? To put it bluntly, they have been unscrupulous, and spared no efforts to shake the spiritual pillar that supports our cause and disintegrate people's faith in the four cardinal principles. Not only have they regarded socialism as good for nothing, but

also slandered socialism by saying that it is some "illusion". They proclaimed that Marxism was "outmoded," and "a utopia." Moreover, they vilified the party's leadership and the people's democratic dictatorship, saying that they were "autocratic" and a "Damocles sword" respectively. They openly threatened to "delete" the "adherence" to these "principles" from the Constitution. With what would they replace them? Political "pluralism" and the "multiparty system"—that was precisely their plan for "political reform." This plan would serve to negate the party's leading role and allow it to exist as a party group in the "parliamentary system" at best. Economically, it would be "private ownership, free private ownership, and a society of free economy." First, they would conduct "reform of property ownership" to let a "middle class" take shape, without misgivings for polarization. According to this plan, public ownership and planned economy should be done away with, and the economy should become entirely market-oriented, with the law of value governing all else, while survival of the fittest would be carried out in "free competition."

More direct and extensive is the danger of solipsism in their world outlook, selfish departmentalism, extreme individualism, and egoism. In the eyes of those "elite," the other person, the collective, the state and the nation are all useless. Liu Xiaobo [0491 2556 3134] proclaimed: "I am the end, I am everything." To "realize the self," and to "fulfill the self," "the selection of whatever value is personal freedom." "Every selection has its rational factor." What are the criteria of their so-called "rationality"? Of course, they do not fall into the category of any rational norms, nor are they social practice, but have requirements that fall in line with "human nature." Their "human nature," in Liu Xiaobo's own words, is none other than "perception, nonrationalness, instincts, and flesh. The last has two connotations: Sex and money." Apart from them, all the finest feelings in the human race have been trampled and raped. Even those heartbreaking heroic behaviors, and the spirit of devotion and sacrificing oneself for others have been regarded as "rational egoism," "for one's own good subjectively, for the good of others objectively," and are even "uncivilized" and "foolish." They do not believe that apart from the self-satisfaction of "the seven human emotions and the six human desires," there can be a loftier pursuit in one's lifetime. Therefore, they want to justify "individualism," the "pursuit of money," and to "fan up people's desires." In their opinion, "without their being stirred up, without the burning of 'desire,' the society would become a pool of dead, stagnant water. These alone are the motive forces of social development. Is it not true that some people in literature and art circles have openly regarded 'money and lust' as the motive force of the development of literature and art? That has been the truth of 'emancipating individuality and 'back to human nature' in connection with the 'realization of the self,' as advocated by the 'elite' of bourgeois liberalization" in recent years!

Moreover, those advocating bourgeois liberalization want to basically change our socialist political and economic systems as well as people's "way of thinking," and they have presented their argument for "high consumption" and "premature consumption." They regarded plain living and hard work and the practice of frugality as some "outmoded concepts," and "something that belongs to history", while they put the pursuit of extravagance, luxuries and waste as "the new trends of the times," and all vices as indispensable conditions for "opening up," and "invigorating the economy." Summing up the above, do we not have a clearer picture that what bourgeois liberalization advocates has some organic link with the development of the phenomenon of corruption? Are not the corruption and evils before our eyes precisely the "internalization" and "externalization" of bourgeois liberalization?

The way of deteriorating our society and party by bourgeois liberalization is to relax the people's will, to distort their mentality, and to change their value concept. In this aspect, the efforts of the so-called "elite" have been "successful" among some people: The political and ideological expression is that some people have shaken their faith in adhering to the four cardinal principles, with their concepts of national and collective interests weakening, while their personal desires have expanded, and the tendencies of their pursuing excitement and pleasures have been on the rise. Therefore, "he is a jerk who turns down a free banquet or anything free, or fringes from fattening his own pocket" has become some people's pet phrase. "A bird in the hand is worth two in the bush." To get "a bird" and "substantial benefit," some people began to degenerate. A cadre embezzled \$130 when he was on an errand abroad; eventually, he committed suicide in an intense psychological conflict. He left a note immediately before his death, saying: "I had a clean personal record until I succumbed to that sum. I cannot help but regret it deeply." That was a tragic ending. But what was the cause leading to the tragedy? The temptation of money.

With others, their cases are different. Their souls have been fully occupied by the "self," money and lust, and they are intoxicated in wine, women and song, which is typical of the bourgeois way of life. In economic ties, they forgot all about righteousness at the sight of money, and they pursued a life of luxury and dissipation. They would disregard national interests in terms of several millions and even 10 million yuan for their "personal gains," and place their own dignity as well as the national dignity on the balance in trade. They would take "commissions," as well as "cash in red bags," and accept bribes. Such practices took place at every link and became the "lubricating oil" for smooth operation in certain domains and certain scope. "Arbitrary actions" and "violation against the law" became some people's way to get rich quick. Consequently, vicious cases of robbery in broad daylight, and murdering for money have been on the rise, and cases of stealing state properties, embezzling public funds, profiteering, smuggling

and peddling smuggled goods, speculating in foreign exchanges, tax evasion and secretly splitting up state properties have not been infrequent and inferior commodities were poured into the market. Moreover, drug trafficking, abduction of children and women for sale, prostitution and gambling were on the rise. Gangsters perpetrated outrages in neighborhoods, and the "mafia" surfaced to engage in dealings involving no investments but bringing in big money, and operating in "satanic" commodities. Low-taste, vulgar publications including tabloids, videotapes, and pictures spreading obscenity and violence filled the cultural market...

Who released these evils and opened the "Pandora Box"? In short, it was none other than those "social elite" who aimed at the "total Westernization" and capitalization of China. Corruption is one of the syndromes of bourgeois liberalization and its natural exudate. Beyond a doubt, should bourgeois liberalization continue, the phenomenon of corruption would inevitably expand on a still greater degree on a wider scale. Should China be included in the orbit of the "West," as those "elite" expected, our life would never be in a "paradise" as they promised, but a hopeless corrupt world. Should that be a paradise, that would be a "paradise" for all kinds of evil forces. In the reality in recent years, we could find such a "cause and effect law." Bourgeois liberalization has induced corruption; while the corrupt elements have in turn become the social base of bourgeois liberalization. Places where the phenomenon of corruption was more serious and people who were more seriously bogged down in corruption had greater resistance to the four cardinal principles, and greater yearning for bourgeois liberalization. That was precisely why those unrepenting ex-convicts became the commando of the current counterrevolutionary rebellion, along with the "flying tiger" motorcycle formation that consisted of greedy individual households who swaggered around in the recent counterrevolutionary rebellion.

Now the origin and cause-and-effect relationship between bourgeois liberalization and the phenomenon of corruption are clear to all. Comrade Deng Xiaoping has recently pointed out: "The phenomena of corruption is very serious. This has something to do with the failure in firmly opposing bourgeois liberalization." This has hit the nail on the head. However, can the surviving pernicious feudal influences get away with it? No. When we say surviving feudal influences are not the chief root cause leading to the current phenomena of corruption, we do not mean that there are no connections between them. When we say that its negative roles are not magnifying and expanding in the whole situation, it is relative to the conditions of bourgeois liberalization, we do not mean to say that it has nothing to do with the shaping of the above-mentioned phenomenon of corruption. The "elite" who are enthusiastic about bourgeois liberalization have posed as antifeudal heroes as if they harbored bitter hatred for feudal things. Actually, the so-called "elite" as well as those who shielded, winked at,

and supported them inside the party have hallmarks of ancient feudalism stamped on their backs. China's national conditions determine that it is impossible to resist bourgeois liberalization with feudalism nor vice versa. These two alienated forces endangering the socialist cause formed a visible or invisible, open or latent alliance in semifeudal, semicolonial Old China through their association and collaboration. We can still find this historical characteristic in the relationship between the two under the new historical conditions characterized by developing the socialist commodity economy, reform and opening up to the outside world.

As we all know, the imperialist invasion broke up the feudal autocracy in China long ago, therefore, feudalism can no longer dominate in its original form. Such a dominating role has increasingly been transferred to the hands of the bureaucratic comprador bourgeoisie, the abnormal offspring of feudalism and international monopoly capital. Of course, it does not mean that such ownership exists in China today, but there really is the phenomenon by which special privileges with feudal coloring colludes with illegitimate commodity production and operation. The "bureaucrat profiteering" and "profiteering in the private sector," which people have bitter hatred against, engaged in the speculation of commodities in short supply, raw materials, cars, real estate and import or export licenses. Why was it that such malpractices were the rage for a time? What made "profiteering" possible? In the final analysis, it was the participation of the power that controls such commodities, real estate, funds and issues import or export licenses. What was the end of such participation? Because personal gains were involved. "Power is exchanged for money," and vice versa. In some people's hands, power has become the stake to trade for money. In some areas, the power to mete out punishment has become a commodity, and a fine has replaced punishment; in other areas, the power to examine has become a commodity, and money has replaced examination. Under the lashing of the tide of "turning everything into commodities" summoned up by bourgeois liberalization, even the feudal patriarchal clan concept has undergone some changes. Was it not true that in the work arrangements of some cadres' spouses and children, the trend was to transfer into the "tertiary industry" for a time? Was it not true that for a while, a variety of companies mushroomed, with many of them serving precisely as pipelines to drain national resources?

Wan Runnan [8001 3387 3948], former general executive of the "Stone Company," a culprit in plotting the counterrevolutionary rebellion and now a fugitive abroad, is precisely a grotesque offspring of the requirements of feudal special privileges as well a patriarchal clan relationship and those of shaping a "middle class." Behind Wan Runnan in his Western dress is a long pigtail characterized by feudal history. He complained about a "middle class" failing to take shape in China on the one hand, but on the other, he did everything he could to speculate, seek patrons and back the patriarchal

clan relationship. Ni Xiance and Liang Xian fall into another category. The power endowed to them by the people became some special privileges for their pursuit of pleasures and personal gains, while converting such special privileges to some means for illegitimate commodity operation.

In particular, Comrade Zhao Ziyang's problem has given us much food for thought. There was a strong odor of feudal "paternalism" and "I alone have the say" in him. He was insufferably arrogant, imperious and despotic, and would never listen to different views; and was extremely conceited, while he would always put the blame on others, and never admit his mistakes. In 1983, the Central Committee and State Council issued an order that children of senior cadres should leave commercial enterprises. His resistance made the implementation of that order impossible. Until the latter half of 1988, he continued to openly defend senior cadres' children running companies, saying that they were exercising their "civil rights." However, it was precisely Comrade Zhao Ziyang himself who supported those worshipping the West and pursuing capitalism. In return, those concocting "The River Elegy" flaunted him to be the pacesetter of the "new age" in history, and the "elite" rallied around his banner and regarded him as their leader during the recent turmoil and counterrevolutionary rebellion. Why did it all come to this? I think we can get the right answer from the pattern of reform characterized in the "free economy" on the strength of the "power politics" proposed by Comrade Zhao Ziyang's think tank. What does "power politics" mean? That is precisely autocracy stamped with feudalism! Why should those "fighters" for "democracy, freedom, and human rights" forget their own slogan while they cried for "power politics"? It seems that they have come to understand that the "pursuit of free economy" in China involves not only reliance on world capital but also on conjuring up the ghost of feudalism. Here lies the secret of the problem.

What generalization can we make from the above analysis? The root cause of the phenomenon of corruption cannot be found in the socialist system itself. Should there be any relations with it, that can only be the incompleteness, imperfection, and immaturity of the socialist system. Consequently, there are loopholes for decadent ideas of exploiting classes, that is the primary cause. Second, we should not be too general in dealing with the danger of decadent ideas of exploiting classes, for they have different categories and tones. Under different historical environments and backgrounds, each has its own different way, extent and consequences in its functioning role. It is impossible for us to separate and isolate different ideas of exploiting classes in different forms, nor can we put them on a par, or confuse them. We should find the differences and links between them. Third, the increasingly serious phenomenon of corruption in recent years was the pollution of both pernicious surviving feudal influences and surging bourgeois liberalization, while the fountain head of pollution was

bourgeois liberalization. It was the fountain head of the phenomenon of corruption, which in turn was the very reflection of bourgeois liberation in our society and party, which serves as a mirror. As to surviving feudal effects, they became one of the "main streams" that poured into the turbulent flood, and the "accomplice" of bourgeois liberalization. Therefore, we should not set the fight against corruption apart from opposing bourgeois liberalization, but unify the two. Should China be drowned by the flood of bourgeois liberalization, what would replace the socialist system would never be an independent bourgeois republic, not even a simple return to a semifeudal, semicolonial society, but a dependency to international capitalism with surviving feudal coloring. Because the groundwork of feudalism was destructed with the victory of the new democratic revolution, and it will never function again as a political force ruling the society.

From this we may draw the last conclusion: In the course of reform to complete and perfect the socialist system, and in developing the socialist commodity economy, it is imperative for us to keep a high vigilance against the "surviving effects" of feudalism. This is because the malpractices derived from such "surviving feudal influences" have not been eliminated, while under new conditions, they will join forces with bourgeois liberalization to "help the tyrant to do evil." From the angle of the international "major climate," or the angle of the domestic "minor climate," bourgeois liberalization is also the main danger facing the party's cause and the Republic's fate. Such danger has not been reduced or eliminated with the quelling of the recent turmoil and counterrevolution. The defeated antiparty, antisocialist politic forces are still colluding with their kinds at home and abroad, and are ready to make trouble. They are making preparations for another "action with increasing intensity." The malicious effects of bourgeois liberation in many aspects are still "fermenting" in the minds of many people. We must acquire a sober understanding regarding this. We must merge the struggle against subversion, infiltration and corruption, and firmly and persistently conduct the fight against bourgeois liberalization in depth. Only then will we be invincible!

At the Second Plenary Session of the Seventh Central Committee held on the eve of the founding of the PRC, Comrade Mao Zedong warned the whole party: "There may be some Communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets. They will be defeated by sugar-coated bullets. We must guard against such a situation." This warning sounded the alarm to the whole party to the effect that the overwhelming majority of party members and cadres stood the test of the changes in environments, conditions and positions for a considerable length of time, while the party's fine tradition and work style was maintained and brought forward, with the few exceptional cases such as Liu Qingshan [0491 7230 1472] and Zhang Zishan [1728 1311 0810], whose

cases were resolutely settled. Facing the doubt spread by a small handful of people or the ideological trends opposing the four cardinal principles in the wake of the 3d Plenary Session of the 11th Central Committee, Comrade Deng Xiaoping sharply and promptly revealed and criticized them, and explicitly set forth the need to politically and ideologically adhere to the four cardinal principles as the groundwork and prerequisites for realizing the four modernizations. Comrade Deng Xiaoping has always stressed: "Elimination of the surviving feudal influences must be combined with the criticism of decadent bourgeois ideas, such as the notion of putting profit above everything else and trying to 'get ahead' at the expense of others." He said: "In our society, which was a semifeudal and semicolonial one for more than a century, feudal ideology is in some cases intermingled with bourgeois ideology and the slavish colonial mentality, and the three are sometimes inseparable." Moreover, "with the increasing international contacts in recent years, instances of worshipping things foreign and fawning on foreigners have begun to appear, owing to the influence of the decadent ideology, work style and way of life of the bourgeoisie abroad. Such phenomena may increase in the future. This is by no means a trivial problem, and we must take it seriously and solve it." What incisive scientific conclusion and forecast!

However, it is regretful that some party and state leaders, especially Zhao Ziyang have turned a deaf ear to this. Moreover, they turned the green light for bourgeois liberalization and the phenomenon of corruption along with it. Consequently, they swept all over the country like water from a broken dyke, and became the root cause for the 50-some days of turmoil and counterrevolutionary rebellion. "Bad things can be turned into good things," and that is a law as revealed by dialectical materialism. Just as it was with the 10 years of disasters of the "Cultural Revolution," its ending became a historical turning point in our party's cause. Comrade Deng Xiaoping's historic feats lie not only in his completing this historical turning point by "bringing order out of chaos," but also in rescuing our party and nation from the disasters of blood and fire with his foresight, courage, resourcefulness, daring and resolution of a great proletarian revolutionary. Confucius said: "At 40, one will not be bewildered." Our People's Republic has lived through 40 years, going through all kinds of difficulties and hardships, and entered the "years free of bewilderment." We are sure that under the leadership of the new Central Committee with Comrade Jiang Zemin as the core, with the merger of the experiences and wisdom of proletarian revolutionaries of the older generation, our party and country will be all the more invincible. Our socialist ship will sail along the charted course with greater stability, to the bright future which our Communists have been striving for!

Mao Zedong's Family Tree Published

*HK3011030289 Hong Kong HSIN WAN PAO
in Chinese 21 Nov 89 p 3*

["Special Dispatch": "Mao Zedong's Family Tree Has Been Published"]

[Text] Beijing, 21 Nov—Mao Zedong's family tree has been published by the Jilin People's Publishing House. This family tree, selectively compiled by Qing Ren and Mao Erda, indicates that Mao Zedong's remote ancestor was Mao Bozheng, son of Emperor Zhou Wen.

The pedigree of his family tree starts from his ancestor Mao Dahua of the Yuan Dynasty. During the chaos of war under the reign of Emperor Zhiyuan in the Yuan Dynasty, Mao Dahua moved from Jizhou of Jiangxi to Lancangwei of Yunnan, where his eight sons were born. In the early Ming Dynasty, due to his military exploits, he was transferred to Hunan Province together with his wife and first and fourth sons. Subsequently, they settled down in Xiangtan. In other words, Mao Zedong's ancestor had settled down in Xiangtan in the early Ming Dynasty. Mao Zedong was the 20th generation grandson of Mao Dahua. This family tree was first compiled during the reign of Emperor Qianlong in the Qing Dynasty and was revised and updated four times in later years. This family tree provides accounts of Mao Zedong's life; accounts of the lives of his first wife Miss Luo, his second wife Yang Kaihui, and his third wife Huo Zizhen; and accounts of Mao Zedong's sons Mao Anying, Mao Anqing, and Mao Anli. This family tree, compiled in 29 volumes and rich in historical information, was originally kept secret by Mao Zedong's family.

Philosophy Meeting Studies Li Ruihuan Speech

*HK1711025389 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 16 Nov 89*

[Text] The whole party is called to study philosophy. Then what should the system of party schools do? Representatives attending the seventh philosophy annual meeting of party schools nationwide, which ended at the party school of the No 2 Motor Vehicle Plant [a well known factory in Wuhan] on 15 November, all pointed out: It is necessary to make good preparations and allow the advantages of party schools to stir up a great upsurge of studying Marxist philosophy throughout the party.

The 6-day-long meeting conveyed the spirit of an important speech made by Comrade Li Ruihuan at a forum attended by philosophy workers of Beijing and listened to a lecture on the study of philosophy given by CPC Central Party Committee Party School Vice President Xing Benshi. Participants in the meeting summed up and exchanged experiences in educating party member cadres in Marxist philosophy in party schools and discussed preparations being made for the forthcoming high tide of studying philosophy throughout the party. They also exchanged views on matters of right and wrong, over which there has been some confusion during the past few years, with relation to philosophic theory.

The meeting, which was described as the largest one ever held by national philosophy circles, was attended by 148 people, including representatives of the CPC Central

Committee Party School and party schools of 29 provinces, cities, and autonomous regions, as well as comrades from central press and publication units and press and publication units at the provincial and city levels.

Science & Technology

Jiang Zemin, Li Peng View Science Exhibition

OW0512135089 Beijing Domestic Service in Mandarin
1030 GMT 5 Dec 89

[By station reporters Wang Tao and Yuan Baoshan; from the "National Hookup" program]

[Text] Last night General Secretary Jiang Zemin and Premier Li Peng visited, with great interest, an exhibition of Beijing's major scientific and technological achievements for the 1980's.

During the visit, Jiang Zemin observed: The Chinese people are very clever and should never underestimate themselves. Instead, the Chinese people should raise their confidence in themselves as a nation. With concerted effort, nothing pertaining to the state is impossible to handle.

The exhibition is the largest of its kind in Beijing since the liberation of China. It displays 829 major scientific and technological results which the capital has achieved in the past 10 years in industry, agriculture, urban construction, medicine, health care, and high and new technology.

Jiang Zemin and Li Peng showed great interest in high and new technology in connection with agricultural production and computerized urban management.

When told that Beijing has basically begun computerized management in the fields of finance, communications, and population, Jiang Zemin said: During my tenure in Shanghai, I already deeply felt that urban management had to be modernized. Beijing is well ahead in this field.

Li Peng inquired about agricultural production in Beijing. Chen Xitong replied: Beijing has implemented the policy of applying scientific and technological results to boost agriculture in recent years. As a result, grain output has continued to increase in the past 12 years, and Beijing has become self-sufficient in eggs and has an ample supply of vegetables at reasonable prices.

Jiang Zemin and Li Peng frequently stopped during their visit to talk with experts. Jiang Zemin said: Socialist modernization cannot be separated from science, technology, and education. We must focus our attention in these areas. Only by developing science and technology can we get twice the result with half the effort.

At the end of their visit, Jiang Zemin noted with satisfaction: The exhibition is very inspiring. It makes me feel very proud of being Chinese.

Nuclear Industry Experiences 'New Dawn'

HK0512015689 Beijing CHINA DAILY in English
5 Dec 89 p 1

[By staff reporter Li Hong: "Nuclear Industry Experiences a New Dawn"]

[Text] China's nuclear industry, after three years' continuous decline in its realized profits, is seeing a new dawn this year, CHINA DAILY was told yesterday.

Senior industry officials are calling for continuing strenuous efforts to bring about breakthroughs in the fields of nuclear power construction, civilian product exploitation and foreign trade next year.

It is predicted that China's more than 200 nuclear enterprises, both civilian and military, will see an increase of more than 30 percent in profits this year over last.

"This is not an easy gain. The gradual climb of our profits has been attained amid nationwide cutbacks in capital construction, strained supply of energy, raw materials and communication as well as rising prices," Jiang Xinxiong, president of China National Nuclear Industry (CNNI), told the annual meeting on nuclear industry being held in Chengdu, capital of Sichuan Province.

Jiang attributed the progress to the marked growth in the sales of civilian products, which are expected to bring a profit of 82.6 million yuan, up 25 percent over last year. Besides, the industry's deficit in defence production has decreased, while nuclear fuel enterprises, which used to lose money, have also become profitable, thanks to technological renovation, growing domestic sales and foreign trade.

At the meeting, Jiang put forward the plan for 1990 to develop the country's nuclear industry. Special attention will have to be paid to nuclear science and technology and management, he said.

The first phase of Qinshan Nuclear Power Station in Zhejiang Province will have to enter its overall debugging period by the end of March, 1990, and generate electricity by the end of 1990.

According to Jiang, this year workers have finished the biggest work-load of the project among the past several years. By the end of October, an accumulated investment of 950 million yuan had been gathered, 80 percent of the total earmarked for the first phase. And the money for the second phase of Qinshan Station is ready and its overall design is expected to be completed by the end of this year.

Meanwhile, the Daya Bay Nuclear Power Station in Guangdong Province is progressing according to schedule.

China has an ambitious programme to promote the development of nuclear power. Other nuclear power

stations have been planned in Shanghai, Liaoning, Jiangsu and other eastern coastal provinces.

According to Jiang, some Third World countries like Pakistan want to introduce China's 300,000 kw nuclear power station into their country.

Also, the industry's exploitation and production of civilian products will have to reach a new high next year, Jiang said. A series of products with tangible economic results will be put into mass production.

This year the total production value of civilian products is predicted to hit 600 million yuan, accounting for 40 percent of the nuclear industry's total output value. According to CNNI's estimate, by the end of this year 98 out of the total of 114 civilian projects planned in 1985 will have been completed. Most of them are based on technology transferred from military products.

Coast To Receive More Nuclear Power Plants

OW3011022789 Beijing XINHUA in English
1450 GMT 29 Nov 89

[Text] Chengdu, November 29 (XINHUA)—Construction of nuclear power facilities will be gradually spread throughout East China's coastal areas in the 1990s, an official from the China Nuclear Industry Corporation said here today.

By the year 2000, the coastal areas will have a total generating capacity of six million kw of nuclear power and facilities with a total capacity of another six million kw will be under construction.

China started research and planning of nuclear power facilities in the 1970s. In 1985 China started construction of its first nuclear power station, the Qinshan Nuclear Power Station, which has a generating capacity of 300,000 kw.

In 1987 construction started on the Daya Bay Nuclear Power Station in Guangdong Province. This power station will have a capacity of 1.8 million kw.

By the end of next year, the Qinshan Nuclear Power Station is expected to go into operation; the second phase of this project has already been approved by the State Council.

Liaoning, Guangdong, Shanghai and other coastal provinces where coal and electricity are in short supply are preparing for construction of nuclear power stations.

Meanwhile, China will co-operate with other developing countries in building nuclear power stations.

Ministry Sets Technology Improvement Standards

OW0612053289 Beijing XINHUA Domestic Service
in Chinese 0724 GMT 28 Nov 89

[By reporter Jiang Zaizhong (1203 0961 1813)]

[Text] Beijing, 28 Nov (XINHUA)—To effectively integrate science and technology with production, the Ministry of Machine Building and Electronics Industry recently drew up and promulgated a set of standards for evaluating technological improvements of large and medium-size machine-building and electronics enterprises. This is China's first set of standards for evaluating a trade's technological improvements.

To be evaluated are the following nine standards: The number of technological improvements achieved in 1 year; how much the improvements contribute to an enterprise' total output increase in 1 year; the percentage of new products; the percentage of quality products; the percentage of export goods; the percentage of the budget earmarked for research and development; the percentage of scientists and technicians; the annual per capita gains resulting from workers' rationalization proposals; and how much training workers receive in 1 year. Each and every standard is computed by internationally accepted methods or by methods in line with China's situation.

The Ministry of Machine Building and Electronics Industry has decided that, from now on, 100 "technologically advanced enterprises" will be selected each year on the basis of the above criteria, and that the ministry will commend them by requesting the local financial departments to give them tax-exempted bonuses ranging from 1 to 2 months of total payrolls. However, leaders of those enterprises which keep turning out outmoded goods and have low productivity and extremely low profits owing to inattention to technological improvement, those enterprises which keep turning out products considered obsolete by the state, and those enterprises which fail to domesticate at least 50 percent of the imported technologies during a contractual period will be criticized or dismissed.

According to an official of the ministry, now that China is engaged in improving the economic environment and rectifying the economic order, all enterprises must upgrade their technology in order to improve the quality of their products, reduce consumption of resources, increase profits, and ensure production safety. He added that all enterprises must devise measures to gradually upgrade their technology during the course of the ongoing reform.

Military

Article Discusses Mao's Military Ideology

HK2911144489 Beijing JIEFANGJUN BAO
in Chinese 17 Nov 89 p 3

[Article by Lu Ning (6424 1337): "Formation and Development of Mao Zedong's Methodology of Military Science"]

[Text] Mao Zedong's methodology of military science underwent a historical process of formation, development, and maturity. Such a historical process is generally divided into the following four stages: The stage of

formation; the stage of development; the stage of maturity; and the stage of expansion. Mao's methodology of military science developed hand in hand with his military ideology and did not in the least deviate from Mao Zedong's military ideology. Nevertheless, in order to acquire a better and clearer understanding of his methodology of military science, we still need to carry out a relatively independent and historical study of Mao Zedong's methodology of military science.

Mao's methodology of military science was formed approximately in the period between 1929 and 1930. In the Resolution of the Gutian Meeting, which was convened by the CPC Central Committee in December, 1929, Mao Zedong for the first time put forward the question of methodology of military science. In the Resolution of the Gutian Meeting, he pointed out: "We should educate our party members so as to enable them to achieve ideological, political, and scientific maturity in their inner-Party life. In order to attain this goal, we must exert our utmost to accomplish the following tasks: 1) to educate our party members so as to enable them to carry out an analysis of the current political situation and assess the existing class forces with the Marxist and Leninist methods instead of carrying out a subjective analysis and assessment; 2) to enable our party members to attach great importance in carrying out investigations and study of our social economy so as to enable them to formulate correct strategies of struggle and correct work methods and understand that without carrying out investigations into the realistic situation, they would inevitably fall into the abyss of utopianism and putschism." This was the first time that Mao Zedong put forward such a question from the angle of methodology. In May, 1930, Mao Zedong again set forth in explicit terms the principle of his methodology in an article entitled "Opposing Book Worship": "Without carrying out investigations, one has no right to speak." In that article, Mao Zedong also elaborated in great detail on the specific methods of carrying out social investigations and pointed out that social investigation "is a method of studying questions." "The Resolution of the Gutian Meeting" and "Opposing Book Worship" were two important symbols signaling the formation of his methodology of military science because both of them contained the basic principle of seeking truth from facts, the principle of carrying out a concrete analysis, and the principle of dialectics. Mao's methodology of military science was essentially aimed at analyzing contradictions in things.

The period between 1930 and 1936 saw a rapid development and theorization of Mao Zedong's methodology of military science. During that period, his military ideology found concentrated expression in a number of his military works, such as "The Strategic Questions Concerning the Revolutionary Wars in China," which gave a summarized account of the development of his methodology of military science. In 1936, Mao Zedong made a report entitled "Military Dialectics" at the Red Army University. It was on the basis of that report that Mao Zedong later wrote the

book entitled "The Strategic Questions Concerning the Revolutionary Wars in China." In Chapter I of that book, Mao Zedong discussed the question of methodology of military science. Chapter I of "The Strategic Questions Concerning the Revolutionary Wars in China" is subtitled "How To Study War." In this chapter, he pointed out: "...great attention must be given to the characteristics and development of wars... the law governing all types of wars will develop hand in hand with the history and the wars themselves; there is nothing which cannot change in this world." "Where does the crux of the matter lie? ...We must learn a method... that is, we should get to know clearly about the every detail of ourselves and our enemy, find out some laws of actions, and then apply such laws to our own actions." "We should learn to fight a war during a war—this is our main method." These theories were obviously more advanced compared with those put forward by Mao Zedong himself in the previous period. By that time, he had begun studying and mastering the principle of methodology of military science.

It was not until 1937 that Mao Zedong had realized his own theoretical distillation. An important manifestation of Mao Zedong's theoretical distillation was that by 1937, Mao Zedong had written two books, "On Practice" and "On Contradictions," both of which fully demonstrated the maturity of Mao Zedong's methodology of military science. Standing on the high plane of the Marxist philosophy, Mao Zedong systematically summarized a series of important questions concerning the methodology of military science, which can be boiled down to the following points: Laying stress on practice; laying stress on contradictions; seeking truth from facts; and dialectical analysis. Mao Zedong pointed out: "The view of practice is the primary and basic view of the dialectical materialistic theory of knowledge." "The conclusion we have drawn is the concrete historical unity between the subjective and the objective, between theory and practice, and between knowledge and action." "The law of contradictions in things, namely, the law of unity of opposites, is the most fundamental law of materialistic dialectics." All these theories symbolized the philosophical distillation of Mao Zedong's theories. Fundamentally speaking, the principle of theory of knowledge embodies the procedure and process of human understanding. In this connection, we can say that there is a natural unity between the theory of knowledge and methodology. Therefore, Mao's expositions on the theory of knowledge showed his principle of methodology. It is in this sense that we have turned to regard "On Practice," "On Contradictions," and some other theoretical works written by Mao Zedong as his works on methodology which fully demonstrated the maturity of his methodology. He applied his methodology directly to the military struggles, which were at a crucial turning point at that time. Such a period lasted for about 12 years from the time when his "On Protracted War" was published to the time when his "Report to the Second Plenary Session of the 7th CPC Central Committee" was published.

Economic & Agricultural**State Council Orders Extra Six Billion in Taxes***OW2711065189 Beijing XINHUA Domestic Service
in Chinese 0930 GMT 15 Nov 89**[By reporter Ding Jianming (0002 1017 6900)]*

[Text] Beijing, 15 Nov (XINHUA)—The State Council recently asked tax agencies to collect an extra six billion yuan in industrial and commercial taxes before the year ends. The State Administration of Taxation called an emergency telephone conference here today of tax bureau chiefs at and above county level to map out plans to meet the order. Minister of Finance Wang Bingqian suggested that tax agencies at all levels should immediately rally all resources, overcome difficulties, ensure the completion of the task, and contribute to the drive for economic retrenchment and rectification and further reform.

At the telephone conference, Wang Bingqian noted: Tax revenue is the major source of state revenue. It also is an important lever as well as an efficient means that the state uses to adjust, control, and supervise the national economy. Tax revenue plays a significant role in fulfilling the goals set forth in the 5th Plenary Session of the 13th CPC Central Committee regarding economic retrenchment and rectification and furthering reform. Wang Bingqian stressed: The collection of an extra six billion yuan in industrial and commercial taxes does not mean any changes in the state's tax revenue policies; nor is it meant to increase the burden of taxpayers. Instead, the state just wants to collect whatever tax revenue it is due by strengthening the management and collection of taxes and by plugging loopholes.

Jin Xin, director of State Administration of Taxation, said at the conference: Nationwide, the collection of industrial and commercial taxes this year seems to be doing considerably well, given that industrial production growth has been on the decline, the market has slackened, and funds have been in short supply. According to statistics, for the period between January and October, a total of 153.07 billion yuan in industrial and commercial taxes was collected, representing an increase of 19.1 percent over the same period last year and fulfilling 85.4 percent of this year's plan, or 82.6 percent after adding the extra six billion yuan to this year's plan.

Jin Xin pointed out: Tax-collecting for the next few months will not be rosy. It is predicted that for the next 2 months enterprises may not see noticeable improvement in their economic results; production may continue to grow at a slow pace in some localities; and the drag on the commodity market may persist. Problems encountered in production and circulation are bound to show up in tax revenue one way or the other. What is more, as the shortage of funds has not been alleviated, it remains a very grave problem that many enterprises delay their payment of taxes. As of the end of October, a total of 11 billion yuan

in industrial and commercial taxes was overdue, which definitely will affect the state's tax revenue.

Jin Xin suggested: To ensure the collection of an extra six billion yuan in tax revenue for this year, it is necessary to step up the management and collection of taxes further. The current policy concerning a special excise tax should be strictly carried out. Meanwhile, tax agencies at all levels, in coordination with departments concerned, should continue to collect overdue taxes and, in particular, keep a close eye on those with large amounts of overdue taxes. Jin Xin also urged tax agencies at all levels to persist in their efforts in collecting and managing taxes from the self-employed.

Finance Ministry Sponsors Meeting on Bond Market*OW2711043089 Beijing XINHUA Domestic Service
in Chinese 1530 GMT 24 Nov 89**[By reporter Mei Jun (2734 0689)]*

[Text] Wuhan, 24 Nov (XINHUA)—Recently the Ministry of Finance sponsored a work meeting here on the national debt, calling for further success in the state treasury bond market.

It has been reported that up to now our country has accumulated, through the issuance of treasury bonds, a national debt amounting to some 80 billion yuan. This has ensured the progress of the key construction projects of the state, eased financial difficulties, and promoted the work of reform and opening to the outside world. Since April 1988, markets for the transfer of treasury bonds have been opened in some parts of our country. Incomplete statistics show that in the 61 cities selected as experimentation sites for the transfer of treasury bonds, the total volume of market transactions has totalled 3.5 billion yuan, composed of purchases in the amount of 2.1 billion yuan and sales of 1.4 billion yuan. The reasonable selling and buying prices on the market and the protective prices in effect during the initial period have safeguarded the interests of the masses. However, black market dealings still exist and some organizations dealing in treasury bonds have forced the price down when making purchases. This has seriously harmed the interests of the masses and adversely affected the reputation of state treasury bonds.

Wang Bingqian, state councillor and minister of finance, designated Tian Yinong, adviser to the Ministry of Finance, to address the meeting on debt. Referring to the opening of the treasury bond market, Tian Yinong stressed: This work must be carried out in a way that will be convenient to the masses and increase the reputation of treasury bonds. With regard to the price fluctuations in the market that hurt the reputation of treasury bonds, the financial and banking departments concerned should intervene, make adjustments, or adopt regulatory measures. If an intermediary organization dealing in treasury bonds is found to have profited or engaged in other illegal acts affecting the reputation of treasury bonds, the financial and banking departments concerned have the

authority to ban such acts and rectify them. It is imperative to deal firmly with "treasury bond dealers" engaged in blackmarketing.

Light Industry Ministry Calls for Import Controls

OW2611141189 Beijing XINHUA Domestic Service
in Chinese 0725 GMT 18 Nov 89

[By reporter Yang Like (2799 3810 4430)]

[Text] Beijing, 18 Nov (XINHUA)—The large quantities of high-grade and ordinary consumer goods pouring into the country from abroad have aroused the concern of light industrial departments. They hope that policies of the CPC Central Committee and the State Council on restricting the importation of consumer goods be implemented as quickly as possible so that the development of the national industry can be protected.

The Ministry of Light Industry recently informed the press that certain goods—goods for which the state has imposed strict restrictions because the production capacity at home has already exceeded the demand, goods which the nation can produce and the quality is basically up to international standards, and goods about which relevant departments have clearly ruled that their development should be restricted because they are still beyond the consumption level at home—are still being imported into the country in very high volume. Incomplete statistics in 1988 show that \$400 million were spent on importing mechanical wristwatches, electronic watches, air conditioners, vacuum cleaners, refrigerators, and food processors; and tens of billion of U.S. dollars were spent on importing color television sets, videocassette recorders, cameras, entertainment machines, pianos, electronic organs, toys, cosmetics, garments, and shoes.

According to the Cosmetics Association under the Ministry of Light Industry, large quantities of foreign-made cosmetics have been pouring into China for the past 2 years. The foreign-made cosmetics counters set up at large and medium-size emporiums in Guangdong, Zhejiang, Shanghai, Beijing, Tianjin, and Dalian have virtually misguided the consumers. According to the association, there really is no need to buy foreign-made cosmetics because the quality of home-made cosmetics is definitely not inferior to the imports. In fact, the intrinsic qualities of certain products are among the best in the world and even foreign visitors have made it a practice to buy some China-made cosmetics before returning home. Nevertheless, China spent \$27 million on imported cosmetics.

China's refrigerator output in 1988 reached 7.55 million units. While they could fully satisfy the domestic needs, 390,000 refrigerators were imported the same year. Although the domestic market could hardly consume the 180,000 vacuum cleaners produced last year, the nation imported 370,000 vacuum cleaners last year. Last year,

\$81.15 million were spent on importing these two products. It is reported that the import of the aforementioned goods has not dropped this year.

According to officials of the Association of Light Industry, it is now time to decide whether the country should upgrade the national industry by supporting it and restructuring the consumer goods industry, or continue to let the large quantities of imports storm the home market. They hope the relevant departments will take decisive measures to restrict all thoughtless import of consumer goods.

Banks To Aid Large, Medium-Sized Enterprises

Loans To Relieve Shortages

OW2211140389 Beijing XINHUA in English
1158 GMT 22 Nov 89

[Text] Beijing, November 22 (XINHUA)—Chinese banks will grant about 100 billion yuan in loans in the last quarter of this year to relieve the current fund shortages in the country, a banking official said here today.

Hong Yuncheng, spokesman for the People's Bank of China, the central bank, said, "the loans are still within the original plan set for this year and the fund shortages will be eased to a certain extent."

He said that the Industrial and Commercial Bank, the Agricultural Bank, the Bank of China and other banks are making efforts to raise more funds so as to help large and medium-sized state owned enterprises develop production, and ensure construction of key state projects, purchases of foreign and sideline products and exports.

According to an earlier report, the Chinese banks have already offered 400 million yuan in loans to foreign-funded enterprises which are facing a fund shortage because of the ongoing nationwide austerity program.

The spokesman noted, "the tight credit policy is still proceeding in accordance with the schedule and the total number of loans has been brought under control."

Under the tightened credit policy, he said, banks concentrate on raising money to support large enterprises. "This will enliven the domestic economy and ensure the normal development of industrial and agricultural production."

The banks have readjusted the structure of new loans in line with the state industrial policy. Priority has been given to large and medium-sized enterprises and key projects designated by the state.

Specialists analysed that the job of curbing inflation is still rather tough at present, while the demand for funds remains high.

Thus, they noted, China has to stick to the austerity program and tighten the money and credit supply in the next two or three years.

Conference Held on Defaults

HK2311010889 Beijing CHINA DAILY in English
23 Nov 89 p 2

[BY staff reporter Zhang Yuan]

[Text] Zhuzhou, Hunan—About 100 officials from China's largest savings bank have gathered here to clear up a formidable amount of debt defaults for China's large enterprises.

They have already worked for two days at a national conference held by the Industrial and Commercial Bank of China (ICBC) and provided 2.7 billion yuan (\$726 million) to enterprises to help them get rid of defaults estimated at 14 billion yuan (\$3.8 billion).

The bank is removing the defaults by setting the accounts of their clients' enterprises that have been bogged down in cross-defaults owed to each other or to the bank.

About 20,500 accounts owed by more than 12,500 enterprises to each other or to banks have been settled so far at the meeting.

CHINA DAILY has learned that the current amount of defaults among enterprises or owed to various banks in the country may top 110 billion yuan (\$29.5 billion).

The problem, which has become worse during the current credit squeeze policy, has dealt a heavy blow to China's major industrial producers and trade companies, causing a severe shortage of funds.

The problem is also worrying the country's decision-makers, especially since China's industrial output value declined for the first time in 10 years by 2.1 percent last month over the same period in 1988.

Under the present retrenchment programme, enterprises only have a limited supply of bank loans and have to default to each other to purchase raw materials for normal production.

Sluggish retail sales, on the other hand, have led to billions of yuan worth of products in stockpile, all the more impairing the ability of enterprises to pay off their defaults and to buy new materials.

The default problem is affecting the overall Chinese economy. Many large State-run manufacturers have been unable to maintain normal operations. Some have had to stop production.

The situation has drawn national attention to the gathering of bankers. The State Council also has expressed concern over the progress of the meeting.

An ICBC official said that his bank has so far removed defaults of 55 billion yuan (\$14.8 billion). The bank account book shows a total of 75 billion yuan (\$20

billion) in defaults by enterprises that have open accounts with ICBC or have other business relations with the bank.

Liu Tinghuan, vice-president of ICBC, said that the nationwide default tangle will be cleared up eventually. The improved situation will then be conducive to a moderate industrial growth rate.

The vice-president said that the money provided by the bank to eliminate defaults is within the limit of the bank's money-supply target for this year, as set by the central bank.

He added that the bank will earmark 30 percent the money it receives from default payments to be loans for large-size enterprises with good economic returns.

Bankruptcy Law Enforcement Considered Difficult

HK2211085389 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0830 GMT 18 Nov 89

["It is Difficult To Enforce Bankruptcy Laws in China"—ZHONGGUO TONGXUN SHE Headline]

[Text] Beijing, 19 November (ZHONGGUO TONGXUN SHE)—Since Bankruptcy Laws officially came into force on the Chinese mainland on 1 November 1988, only three Chinese enterprises have been declared bankrupt in accordance with normal legal procedures. An official of the Economic Court of China's Supreme People's Court couldn't help sighing with emotion, saying that as a matter of fact, a lot more enterprises on the mainland should have been declared bankrupt.

It has been learned that when Bankruptcy Laws officially came into force last year, there were more than 300,000 money-losing enterprises. Recently, the number of such enterprises has increased greatly. At present, there are some 6,000 loss-making industrial firms, accounting for some 19 percent of the total number listed in the state plan. However, only a very small number have been declared bankrupt. This illustrates how difficult it has been to enforce the laws.

The official attributed this situation to people's outdated ideological concepts and to the unwillingness on the part of creditors, debtors, and government departments to see such enterprises go bankrupt. A lot of people still think that "bankruptcy" is not a blessing, and are still unwilling to regard it as a legal appraisal of an enterprise.

According to an analysis conducted by the experts concerned, banks are creditors of enterprises. Therefore, when an enterprise is declared bankrupt, the banks concerned will automatically suffer certain book losses. Under such circumstances, the banks concerned will prefer to see their book balance maintained instead of seeing enterprises go bankrupt. As a result, the banks are willing to continue to help enterprises maintain their operations. On the Chinese mainland, most of the enterprise operators are government officials. The assets of an

enterprise are not closely related to economic interests. Whether or not an enterprise will go bankrupt is directly related to the economic interests of an enterprise. Since the government departments are the owners of enterprise assets, the enterprises automatically have powerful backing; bankruptcy will certainly have repercussions in society. This is why it has been difficult to effectively enforce the laws.

According to the relevant sources, over the past year, although enterprises under ownership by the whole people have remained relatively stable, those under collective ownership have undergone a lot of drastic changes. However, since the "Bankruptcy Laws" were mainly formulated for handling the former, it has indeed been extremely difficult for enterprises under the latter to go bankrupt through normal legal procedures. It has been noted that China's Supreme People's Court has recently been involved in formulating rules concerning judicial interpretation. So it is highly likely that the laws will soon become applicable in a much wider scope.

January-October Economic Statistics Published

OW2711030589 Beijing XINHUA Domestic Service
in Chinese 0352 GMT 26 Nov 89

[Text] Beijing, 26 Nov (XINHUA)—Statistics on major economic indicators for January-October were published today by the State Statistical Bureau, the State Planning Commission, the Ministry of Finance, and the People's Bank of China. These indicators show that further results have been achieved in the improvement of the economic environment and rectification of the economic order. This is manifested principally in the continued reduction in fixed asset investment, a further slowdown in the growth rate of the wages of staff members and workers, and a loosening of the money supply. Despite these achievements, the problem of unsatisfactory economic results in industry has yet to be corrected.

Investment in fixed assets made by state-owned units from January to October totalled 131 billion yuan, showing a drop of 10.6 percent from the corresponding period of last year. Among the 30 provinces, municipalities, and autonomous regions, 24 reported cuts in fixed asset investment compared with last year's corresponding period, and 13 of them achieved a higher percentage of reduction than the nation's average. During the period from January to October, state-owned units spent 69.5 billion yuan on local fixed asset investment projects. This was 14.8 percent less than the corresponding period of last year. Of the 30 provinces, municipalities, and autonomous regions, 26 achieved a reduction in local fixed asset investment projects compared with last year's corresponding period, and the reduction rate achieved by 17 of them was higher than the nation's average. Hubei, Henan, Anhui, and Jiangsu all achieved a reduction rate of more than 30 percent.

The total of outstanding loans was 1,141.2 billion yuan at the end of October, showing an increase of 86 billion yuan compared with the amount early this year. This

increase was 13.1 billion yuan less than the increase for the same period last year. However, the reduction in the growth of loans is still far less than that registered at the end of September—the growth of loans as of the end of September was reduced by 39 billion yuan compared with the same period of last year. Of the various kinds of loans, industrial and commercial loans showed a relatively big increase. Outstanding loans for fixed asset investment stood at 164.6 billion yuan, up by 8.6 billion yuan compared with the amount at the beginning of the year. Fujian and Beijing were the only localities to achieve a small reduction for this kind of loan.

The total amount spent on wages of staff members and workers from January to October was 199.2 billion yuan, up by 16.6 percent compared with last year's corresponding period. This growth rate showed a drop of 1.6 percentage points if we compare it with the growth rate for the January-September period. Furthermore, if the price hike factor is taken into consideration, it was actually a negative growth.

During the period from July [as published] to October, China's industrial performance further declined, primarily because of the following three reasons: 1) The continued slowdown of the growth of labor productivity. The average per-capita labor productivity of state-owned industrial enterprises with independent accounting systems was 15,579 yuan for the period from January to October. This was only 2.1 percent above last year's corresponding period. The growth rate dropped by 0.6 percentage point compared with that for the period from January to September. Of the 29 provinces, municipalities, and autonomous regions other than Tibet, 23 reported decreased industrial performances to varying degrees; 2) continued rise in the costs of comparable commodities. As far as the costs of comparable products covered by budgets of state-owned industries are concerned, the actual production costs were 21.1 percent higher than the budgeted figure. It exceeded that for the January to September period by 1 percentage point and showed a growth of 11 percentage points compared with the same period of last year; 3) the ratio of profit and tax to the sales of industrial products continued to drop. From January to October, the sales of industrial products covered by budgets of state-owned enterprises yielded a profit-and-tax-to-sales ratio of 17.62 percent, down by 2.34 percentage points from last year's corresponding period. Of the 29 provinces, municipalities, and autonomous regions other than Tibet, 26 reported this type of decline to varying degrees.

Furniture Industry Experiences Slowdown

HK2711013089 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 27 Nov 89 p 2

[By our staff reporter Chang Weimin]

[Text] After several years' strong growth, China's furniture industry is experiencing slowed-down production and sales, but is trying to face up to the challenge.

"We will have to rely more on exports, but we also have to solve the problems we're facing now in production and sales," Wang Fuqin, secretary general of the China National Furniture Association (CNFA) under the Ministry of Light Industry (MLI), told CHINA DAILY.

Over the past few years, China's furniture industry, in its attempt to meet the needs of its more than 1.1 billion people, became one of the fastest growing sectors in the country's economy. By the end of last year, there were more than 20,000 registered furniture producers.

In the first three quarters of this year, however, the industry suffered a severe decline both in production figures and domestic sales.

The number of furniture enterprises under the ministry which were running deficits increased sharply, this year, Wang said.

Ministry furniture enterprises, which make up about one-fourth of the country's total, usual to generate more than half of the industry's annual production value [sentence as published]. Other furniture enterprises are operated by the ministries of Agriculture, Materials and Equipment and Forestry.

"The exact national percentage of the enterprises in arrears is not available at present," he said, "but we know that nearly all of our enterprises suffered lower profits in the first nine months of this year."

In the city of Tianjin, one of China's major furniture producers, about 40 percent of the enterprises under the MLI had deficits in the first three-quarters of this year.

In Nanjing, capital of Jiangsu Province, some large enterprises which used to be among MLI's biggest profit-earners in furniture saw their profits slide precipitously this year, Wang said.

For example, in the first nine months of this year the Metal Furniture Factory was only 2,800 yuan (about \$750), a mere 0.3 percent of last year's 900,000 yuan (about \$243,000) profit in the same period, Wang said. In the Nanjing General Furniture Factory, the profit dropped from last year's 670,000 yuan (about \$181,000) to this year's 190,000 yuan (about \$51,400) in the same period.

Wang attributed the furniture slump to this year's generally weak market, the shortage of funds to purchase raw materials and poor quality products.

High-quality furniture, which continued to sell well, made up only a small proportion of the total output, while the low-grade pieces which were piling up in warehouses constituted the bulk of what was manufactured, Wang said.

But production costs remained high as pension payments for more and more retired workers increased and

the shortage of foreign exchange for imported materials—necessary to maintain production—had to be made up by notes obtained from the black market at high expense.

Plywood, of which China imported about 1 million cubic metres annually in the past several years, had to be bought by furniture enterprises with the black market notes after 1986 when the government stopped subsidizing the enterprises' imports. "This raised our production costs," Wang said. "Because of this, we State-run and collectively-owned enterprises are less competitive than self-employed and township furniture markets, which are more flexible in business operation and in purchasing materials."

Since 1980, the MLI has been China's leading furniture exporter, with exports valued at about \$40 million a year—about 40 percent of China's annual total.

Last year the country's furniture exports were estimated at about \$160 million. In the first nine months of this year, export value of enterprises under the MLI was no higher than for the same period of last year, Wang said.

He gave as reasons for the slow growth of exports problems in management, government policies and inadequate technology and information about the world market.

He stressed the need for better market information. "Otherwise we won't know what is in demand on the world market and will keep producing what isn't wanted there. We have to gear our products to the demand of foreign clients," Wang said.

He advocated that the government encourage enterprises to have direct contacts with foreign clients.

For many years, most of China's exported furniture was in traditional styles. Very few pieces were contemporary, Wang said.

"We must broaden our offerings to meet foreign clients' requirements in design, quality and colour," Wang said.

To consider how to make a breakthrough in furniture exports, he CNFA held a board of directors' meeting last month. "We decided to emphasize exports in our next year's work," Wang said.

"We don't expect things to pick up until after the middle of next year, but after that we are very hopeful about both the domestic and world markets," Wang said.

Largest Vehicle Plant To Compete on World Market
OW2311194789 Beijing XINHUA in English
1506 GMT 22 Nov 89

[Text] Wuhan, November 22 (XINHUA)—As the largest automobile producer of China, the No. 2 Motor-Vehicle Plant in central China's Hubei Province must eye the world market.

"This is our historical commitment," said director of the plant, Chen Qingtai, in an interview with XINHUA.

As a matter of fact, it has already exported its products to 16 countries and regions, and established trade ties with more than 30 countries.

The entrepreneur said the world automobile industry is now making structural readjustments. China's automobile industry should act boldly to take part in international competition.

He said his plant's development strategy is to make itself capable of competing on the world market.

The No. 2 Motor-Vehicle Plant boasts strong forces in management and technical development, for it has access to the most up-to-date management expertise in the world.

This comprehensive automobile production group has 287 member plants in 28 provinces. They can combine production, scientific research, information, sales and various kinds of service.

When it celebrated the 20th anniversary of its founding in September, the plant had made more than 800,000 motor-vehicles of various types, producing tax revenue of some 3.75 billion yuan (about 1.1 billion U.S. dollars).

With more than 270,000 workers, the group can turn out over 300 types of product. Since 1978, it has been producing five-ton trucks for civil use and now makes various civil vehicles, including cross-country jeeps and cars.

According to Chen Qingtai, the director, the plant is now producing cars in a bid to compete on the world market. It aims to have the first batch of cars rolling off the production line in 1993 with 59 percent of their parts made in China.

In the coming year, Chen said, the plant is to turn out several new types of motor-vehicles to meet consumer needs.

Nuclear Safety Regulations Achieve Results

OW2711065389 Beijing XINHUA Domestic Service
in Chinese 0809 GMT 19 Nov 89

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 19 Nov (XINHUA)—In order to carry out the principle of "safety first and quality first" in the construction of nuclear power plants, China has formulated and promulgated a series of nuclear safety regulations. The implementation of these regulations have already achieved marked results in providing a legal foundation and guidance for the establishment of a nuclear safety control system and in playing a suitable role in the improvement of the quality of nuclear power plants under construction, as well as for better security at nuclear facilities in operation.

Nuclear power has become one of the most important energy sources in today's world. It is an important way of mitigating the energy shortage. However, like other energy sources, electricity supplied by nuclear power, while providing service to mankind, also has a certain degree of potential danger. Therefore, in developing nuclear power plants, we must first of all ensure safety, and the key to ensuring safety lies in proper management and strict supervision.

According to the information provided by the Nuclear Safety Administration today, supervision and administration of the safety of civil nuclear facilities in China got onto the right track after October 1984. So far, the regulations approved and promulgated by the State Council include "Regulations of the People's Republic of China on the Supervision and Administration of the Security of Civil Nuclear Facilities" and "Regulations of the People's Republic of China on Control of Nuclear Fuel." The regulations approved by the State Council and promulgated by the Nuclear Safety Administration include "Safety Regulations on Selecting Sites of Nuclear Power Plants," "Safety Regulations on the Design of Nuclear Power Plants," "Safety Regulations on the Operation of Nuclear Power Plants," and "Safety Regulations on Guaranteeing the Quality of Nuclear Power Plants." The regulations approved and promulgated by the Nuclear Safety Administration include "The Application and Issuance of Nuclear Power Plant Licenses," "Safe Supervision of Nuclear Power Plants," "Safety Regulations on the Administration of Wastes of Nuclear Power Plants," "Standards of Safe Transportation of Radioactive Materials," and "Safety Regulations on the Operation of Nuclear Reactors for Study Purposes."

In accordance with regulations promulgated by the state, the Nuclear Safety Administration conducted a retroactive review of the Qinshan Nuclear Power Plant, issued a construction license for the Dayawan Nuclear Power Station in Guangdong, received registration documents from 16 nuclear facilities, and reissued some operation licenses after satisfactory appraisals. Meanwhile, it strengthened on-the-spot supervision and inspection of nuclear power plants and gradually established a system of supervision and administration of nuclear safety by the state, regions, and operational units.

There has been great concern at home and abroad over the security of the development of nuclear-powered electricity in China. However, due to the promulgation and implementation of regulations on nuclear safety and the continual improvement of construction of nuclear power plants, the opinions and considerations of the public about the construction of nuclear power plants has decreased and confidence about nuclear safety has strengthened.

Custom Statistics Reveal Export Growth

OW2511144289 Beijing XINHUA in English
0902 GMT 25 Nov 89

[Text] Beijing, November 25 (XINHUA)—China's consumer goods sold well outside the country during the first nine months of this year, according to sources at the Ministry of Light Industry.

Customs statistics reveal that exports of 24 light industrial products exceeded 100 million U.S. dollars during the first three quarters of the year.

Shoes earned the most for the country during this period—725 million U.S. dollars, a rise of 48.1 percent compared with the same period last year.

Exports of sugar, garments, beverages, plastic goods, jewelry and ornaments, motorcycles, bicycles, fireworks, clocks and watches increased by 40 percent.

Among the 24 products were also canned food, toys, ceramic goods, paper and paper board, woven goods, essence, furniture, tourism products, carpets, hardware, antiques and washing machines.

The statistics also showed that exports of tobacco, electric fans and glass approached 100 million U.S. dollars.

Statistics Bureau Reports Increased Coal Output

OW2211121489 Beijing XINHUA in English
0847 GMT 22 Nov 89

[Text] Beijing November 22 (XINHUA)—China's coal output hit 835 million tons in the first 10 months this year, an 8.7 percent rise over the same period last year, according to the State Statistics Bureau today.

Of the total, state-owned coal mines produced 290 million tons, 14 million tons more than the planned amount or 87 percent of the target for the year under the state plan.

Dressed coal accounted for 49 million tons, 85.5 percent of this year's target.

An expert from the China National Coal Corporation said that some economic and technological improvements had been made in the first 10 months of this year.

The corporation earned 450 million U.S. dollars from exporting 12.5 million tons of coal in the same period, he said.

Article Refutes Private Ownership System

HK0412144489 Beijing RENMIN RIBAO in Chinese
2 Dec 89 pp 1,2

[Article by Jin Jian (6855 1696): "Comments on 'Declaration of Private Ownership'"]

[Text] A Declaration Which Advocates Capitalist Road

In 1848, Marx and Engels issued "Manifesto of the Communist Party." In this first programmatic document of scientific socialism, our proletarian revolutionary teachers summarized the theories of the communists in one sentence: eliminating private ownership. Over the past 150 years, under the leadership of the Communist Party, the great struggle carried out by the proletariat in various countries with the goal of eliminating private ownership has become an irreversible historical trend.

The Chinese Communists who are ideologically guided by Marxism have led the Chinese people to take the only road of historical development. After the accomplishment of the new democratic revolution, they carried out socialist transformation of the private ownership of the means of production, eliminated the exploiting system and exploiting class, and established the socialist system with public ownership of the means of production as its major element. Through the practice of socialism in China over the past 40 years, the Chinese people have profoundly realized that socialist public ownership is the basis of the socialist system. In the present stage, upholding socialism basically means that we must uphold the predominant position of socialist public ownership. Otherwise, the orientation of socialist construction and reform in China will change and we will face the danger of ruining the achievements scored by our people.

It is precisely because of the reasons mentioned above that from the very first day after the announcement of the "Manifesto of the Communist Party," all exploiting classes and their spokesmen have been attacking without exception the theories of the communists on eliminating private ownership. The forces which are hostile to socialism have always been attempting to shake the foundation of the socialist public ownership system since its appearance on the horizon.

In recent years, the international reactionary forces have been stepping up their efforts to pursue their strategy of "peaceful evolution" against socialist countries. In our country, those who stubbornly stick to their stand of bourgeois liberalization have also clamored for "private ownership," trying to take the change from public ownership into private ownership as a breakthrough point for changing China's socialist orientation. Under such a major international climate and minor domestic climate, "Declaration of Private Ownership—China's Hope" (hereinafter "Declaration") came out in April this year when the turmoil had just occurred. The concoctors of the "Declaration" cooked up 10 major charges against public ownership saying that China's public ownership "exceeded the laws governing historical development," "restricted the development of productive forces" economically, "caused astonishing waste," "checked working efficiency," "restricted the tapping of the potentials of individuals," and "gave rise to short-term behavior and eagerness for quick success and instant benefit." They also said that, politically, public ownership "is the roots of bureaucracy," the "hotbed of corruption and degeneration," and the "cradle of autocracy." They slandered that "under public ownership, there will be no genuine democracy and freedom." Lastly, the concoctors of the "Declaration" revealed their intention by saying "China cannot have genuine democracy and freedom and cannot become strong unless public ownership, the root of the trouble, is eradicated," and brazenly incited people to "sound the death knell of public ownership at an early date."

Here, the "Declaration" has fully revealed its true feature of advocating the capitalist road. It is an inevitable outcome of the spread of the privatization tendency in recent years. It fully reflects the proposition and tactics of a very tiny handful of advocates of bourgeois liberalization at home, manifesting the crucial points of the political and economic programs of the plotters of the turmoil and counterrevolutionary rebellion which took place between last spring and summer. Refuting this anti-Marxist "Declaration" which goes against historical trends and eradicating the pernicious influence of the ideological trends of privatization is our current important task on the ideological and theoretical fronts.

Why Can Our Country Use Socialist Public Ownership to Replace Private Ownership?

The first charge cooked up by the concocters of the "Declaration" against public ownership is: "Public ownership exceeds the laws governing historical development." This has compelled us to answer the following questions: Why can our country use socialist public ownership to replace private ownership? Does public ownership in China "exceed the laws governing historical development," or is it an inevitable outcome of historical development?

According to Marxist theories on social development, the five social forms of primitive society, slave society, feudal society, capitalist society, and communist society generally replace each other in proper order. However, in semi-colonial and semi-feudal China, why did we side-step the stage of full capitalist development, and directly turn the new democratic revolution into socialist revolution? Did this mean that we "exceeded the laws governing historical development" as the concocters of the "Declaration" have stressed? People who have basic knowledge on Marxism and modern Chinese history know that those who make such statements are either muddle-headed or have ulterior motives.

After the opium war, because of the invasion of imperialism, feudal China began to become a semi-colonial and semi-feudal poor and backward country. To plunder raw materials, dump the goods, and employ a cheap labor force, various imperialist powers vied with one another in building ports, constructing railways, running factories, and doing business in our country. This objectively incited the development of the Chinese national capitalism to a certain extent and brought about the Chinese bourgeoisie and proletariat, giving rise to the new productive forces in China. The old production relations increasingly became a stumbling block to the development of the new productive forces. Due to acute national and class contradictions, social revolution became an inevitable trend which was independent of man's will. Who is the representative of the new productive forces? Who represents the leading force of the social revolution? History proved that the big bourgeoisie could not become the representative. It could not survive without relying on the international capitalist forces. Due to its fragile economic position and weak political attitude, the

Chinese national bourgeoisie could not thoroughly carry out the anti-imperialist and anti-feudal revolution and turn China into a developed capitalist country. The important task of the new democratic revolution in history could only be shouldered by the Chinese working class, a social force which represented the development of the new productive forces. All these are the important bases and conditions enabling Marxism-Leninism to spread and develop in China, the CPC to grow and expand, and the proletarian revolution to win its final victory. The victory of the people's revolution in China was, in the final analysis, an inevitable outcome of the movement of opposites of the productive forces and production relations, and an inevitable result of the social development in China.

After the victory of the Chinese revolution, the People's Republic was founded on a shambles of the Old China whose level of productive forces was very low. Can we say that shortly after the founding of our People's Republic our choice of the socialist public ownership exceeded the laws governing social development just as the concocters of the "Declaration" have stated?

According to our theories mentioned above, such a conclusion is not tenable. Practically speaking, the fact that shortly after the founding of our country we chose socialist public ownership rather than taking the capitalist road was determined by the domestic and international conditions at that time. In those years, bureaucrat-comprador capitalists possessed 66 percent of the industrial capital of the whole country, and 80 percent of the fixed assets in the factories, mining and traffic and communications undertakings throughout the country. If we let bureaucrat-comprador bourgeoisie continue to monopolize the economic lifeline of the state, we would not have been able to destroy the imperialist forces in China and completely change the colonial and semi-colonial fate of our country. We had no other alternative but to turn all bureaucrat capital to the economy of socialist public ownership. From the very beginning, the state-operated economy of New China has been a socialist economy. With the powerful support of the state-operated economy, we could unify the finance and economy of the whole country and concentrate all forces that could be concentrated to overcome the serious difficulties we were facing. With such strong support, we could defend our country's hard-earned unity and security and start the work of restoring and developing the national economy in a planned way step by step. At that time, our national capitalist industry and commerce played its positive role. However, shortly after the founding of the People's Republic, if we failed to implement a policy of using, restricting and transforming it, it was impossible for us to eradicate class oppression and class exploitation and establish and consolidate the socialist system. If we failed to carry out socialist transformation of our agriculture and handicraft industry, it was impossible for our small production to conform with the needs of socialized mass production. Since we could not emancipate our productive forces, we were not in a

position to promote economic construction of our country, industrialization in particular. We had various kinds of shortcomings and defects in our specific work. However, generally speaking, due to our party's correct guidance and basic policies, we could basically complete socialist transformation of the private ownership of means of production and establish the socialist public ownership in a short period of 7 years, successfully guiding China to take the road of socialist development.

The concocters of the "Declaration" said plausibly: Since the "increase of ideological consciousness" in practical reality is only a "sham assumption," the public ownership has to date been "established under a wrong prerequisite." Such a view not only tampers with and distorts Marxism, but also vilifies the broad masses of the people who are throwing themselves into the building of material and spiritual civilization. Marxists never depict the future society out of thin air. They "discover the new world in the course of repudiating the old one." Their several principled views on the "new world" are strictly based on the objective laws governing the development of productive forces. Just as Engels pointed out: "The ultimate reasons for all social changes and political transformation must not be found in people's minds. They must be found in people's increasing understanding of the eternal truth, and in the changes of mode of production or the methods for exchanges." This has clearly shown that the Marxist view that socialist public ownership is based on objective economic laws does not deviate from the objective laws. It is not established purely on the basis of people's ideological consciousness. The concocters of the "Declaration" deliberately avoid talking about economic foundation. They only talked about ideological consciousness and told a lie by saying that the increase of people ideological consciousness is a sham assumption. This only demonstrates their mean tricks for negating the socialist public ownership.

Our country sidestepped the stage of full capitalist development and directly changed the new democratic society into the socialist society. This is an example of the development skipping over certain historical stages as predicted by Marxism. World history has shown that historical evolution in various countries is very complicated. Because of different specific conditions, the development skipping over certain stages is not a rare phenomenon. For example, after the disintegration of the primitive commune, Greece, Rome, and other countries established their developed slave countries in accordance with the general laws governing socialist development of mankind. However, when Germanic people entered various countries along the Danube River, they directly established a feudal serf system rather than a slave system. Let us look at another example. The majority of European countries experienced a feudal society in Middle Ages. However, the United States skipped over the historical stage of feudal society, and directly established a capitalist society.

The fact that after the founding of New China our country sidestepped the historical stage of capitalism

and established a socialist system was an inevitable outcome of historical development. It was not based on the subjective imagination of the people. The theory of the concocters of the "Declaration" on the so-called "exceeding the laws" is nothing but their theoretical basis for "sounding the death knell of public ownership at an early date," and attempting to establish capitalist private ownership.

Did Socialist Ownership Curb the Development of Productive Forces, or Did It Release it?

Another charge against the public ownership system by the concocters of the "Declaration" is that "it has curbed the development of productive forces." They said that, "because everybody is a master of the country under the public ownership system, efficiency has prevented an effective role and free play of individuals' potentials are restricted," and that 40 years after the founding of the country "the people are still living in dire poverty."

Practice is the only criterion in verifying truths. So let us employ the practice of the last 40 years to verify whether public ownership has released great productive forces, or "has curbed its development."

In the 40 years since the founding of the country, owing to the establishment of the socialist system based on the public ownership of production material, agricultural and industrial production has developed on all fronts and the overall national strength has considerably increased. In 1988, the total value of the gross national product was 12 times that in the early country-founding phase; the original value of industrial fixed assets has increased 50-fold since 1949; and the proportion of the gross value of industrial output in total social production value has jumped from the 25 percent in the early country-founding period to 61 percent. With our own efforts, we have resolved the problems of having enough to eat and wear for a population of 1.1 billion, and the material and cultural well being of urban and rural populations have also risen sharply.

Practice has proved that the social and economic development levels between the New and Old China are as far apart as the heaven and earth—the socialist public ownership system has released enormous productive forces. Of course, if we had avoided the over-zealousness in the "Great Leap Forward" in 1958 and the grave mistakes of ignoring or even destroying productive forces during the "Great Cultural Revolution," our achievements would have been greater and the superiority of the socialist system more pronounced.

Why is the socialist public ownership system able to advance the development of our country's social productive forces?

First, it ensures a powerful inner dynamic for the development of socialist productive forces. The capitalist private ownership system determines that the capitalist

productive motivation and purposes are profit maximization. Such a system places the laborer under suppression and exploitation, thus limiting the dynamics of labor productivity. But with the elimination of the exploiting system by the socialist public ownership system, the social status of the laborer experiences a fundamental change. Since the socialist system attends to both the national and collective as well as the individual interests and enjoys both political and economic dynamics, the enthusiasm, spontaneity, and pioneering spirit of the laboring people will be assured full play. The concocters of the "Declaration" raved that every laboring hand under the public ownership system "does his best to shift work to others while he gets as much pay as possible" and "seizes every opportunity to grab benefits, for such is the order of the day" and so on. Such ravings only display the ugly mind of an extreme egotist and are a slander to the billions of the laboring people.

Secondly, public ownership of production material enables the state, the delegate of the people, to coordinate and arrange in a comprehensive manner; develop production in planned steps and suitable proportions; and within the limits of national strength, pool capital for key projects and thus promote a steady, stable, and coordinated development of social production.

As is well known, the New China launched the large-scale economic construction of the First Five Year Plan following a mere 3 years of national economic recovery. Under the then extremely weak economic conditions, only public ownership was able to concentrate all the manpower, resources, and capital to ensure the completion of about 10,000 projects (694 of them were large-scale projects) within the 5-year period. As a result, a preliminary foundation was laid for our country's socialist industrialization. And it is our consistency in upholding the main-body status of socialist public ownership, and the dominant status of state-run enterprises that an independent, modernized industrial system with a relatively complete range was built up in a mere 40-year period, which has brought an elementary level of prosperity and affluence to the socialist motherland. Following the party's 3d Plenary Session of the 11th CPC Central Committee, based on the practical conditions of the initial stage of socialism in our country, we have self-consciously regulated and perfected step by step the ownership structure and economic mechanisms through reform, adopted an ownership system dominated by socialist public ownership and supplemented by multi-structural economic elements and a variety of business operations in the public ownership economy; and practiced an economic operation and regulatory mechanism that combined planned economy and market adjustment in the entire national economy. This way, we have been able to prevent the national economic development from progressing blindly while at the same time avoiding a over-centralized the economy. During the reform decade, the national economy developed rapidly, doubling the average national income and giving fuller play to the superiority of the socialist public ownership.

The capitalist private ownership will never possess this kind of self-regulatory and self-perfecting capacity.

Under the capitalist private ownership, social production is in a state of anarchy. The contradiction between blind productive expansion and a relative reduction in consuming power of the wide mass of the laboring people is bound to lead to economic stagnation, recession, or even an economic crisis caused by excessive expansion in production; the disastrous burden of an economic crisis will finally transfer to the laboring people, sowing the seed of another economic crisis. Although the capitalist system is forced to make some regulations during an economic crisis, it will never touch the private ownership system, the origin of all evils. This contradiction can only will be resolved through the replacement of private ownership with a public one.

The concocters of the "Declaration" turn a blind eye to the enormous economic development and social progress brought about by our upholding and perfecting the socialist public ownership over the last 40 years, and mention not one single word about productive forces being retarded by the capitalist private ownership system. This can only reveal them as devout worshippers of capitalist private ownership and stubborn opposers of socialist public ownership. Their vision is narrow and shallow, no match to even capitalist economists. Even Schumpeter, an American economist, said: "Can capitalism continue to survive? No, I do not think so... The success of the system itself will destroy the very social organizations that have protected it and is bound to create certain conditions to forestall its continued survival, and it is very likely that socialism will take its place." Even in Schumpeter's view, capitalism is not as beautiful and nice as pictured by the stubborn elements sticking to a bourgeois liberalized stand.

Thirdly, with the elimination of the exploited-exploiting relations under the private ownership system, the socialist principle in which social products are distributed according to workload can be realized step by step. According to the principle of distribution based on work, labor is the unit to measure a laborer's social contribution, as well as the unit for his share of consumer products. This greatly encourages the incentive of the laborer. Public ownership and distribution according to work deplete the layer of soil nourishing the polarity of the haves and have-not and led the whole people to a path of common prosperity and along which living standards saw a continual rise. We do not deny that in the current economic life the phenomenon of "eating from the same big pot" still exists in many localities. Some departments and units are suffering from maladies such as low efficiency, short-term behavior, serious waste, and poor performance by individuals. However, the appearance of these problems is not necessarily linked to the socialist public ownership system, though they do reflect the imperfections in the economic system under our socialist public ownership system, certain practices in the real life not yet incompatible with public ownership, and the lack of socialist and communist

ideological education among the workers. The launching of socialist reform is precisely aimed at improving the concrete forms of the socialist public ownership system, removing those evils not inherent in the socialist public ownership which therefore should not have appeared in the first place. We have scored and will continue to score achievements in economic structural reform. The socialist public ownership system will be further improved. The wanton attack by the concocters of the "Declaration" will prove futile.

Can Private Ownership or Public Ownership Truly Ensure Democracy and Freedom?

The concocters of the "Declaration" denounced public ownership as "the cradle of totalitarian autocracy," "the hotbed of corruption," and "the soil producing bureaucracy." Because there is "no freedom of organization and development in light of one's will" and no "basic right to select or choose" under public ownership, "there can be no genuine democracy and freedom in China unless public ownership, the root of the problem, is eliminated."

According to the logic of the "Declaration," because socialist public ownership has checked their democracy and freedom, they could only look for capitalist private ownership to protect their democracy and freedom. Are the capitalist countries really like a "paradise"? No, certainly not. The rule of money of the bourgeoisie established on an economic basis of private ownership is actually the hotbed producing corruption and bureaucracy. Hence, all kinds of political scandals involving bribery and corruption, the practices of each trying to cheat or outwit the other, and the slow progress of operation of the state organs are quite common there. Moreover, the essence of the bourgeois dictatorship protected by private ownership is a dictatorship by a handful of rich people over the majority of the poor people. In the capitalist countries, democracy and freedom are real for the rich, but a sham for the poor. As a political system, democracy derives from a certain economic basis and in turn serves this economic basis. Under capitalist private ownership, no matter how the bourgeois democratic system develops, its purpose is to ensure the ruling status and order of the bourgeoisie. How can the oppressed and exploited hired laborers have the "freedom of organization and development in light of their own will" and have the "right to select or choose?" The parties and organizations banned or regarded as illegal groups by the capitalist countries are by no means the minority. The so-called right to select or choose is but the right of the capitalists. Those stubbornly adhering to bourgeois liberalization have talked about the election system of the bourgeois countries with great relish as if this system reflects genuine democracy and freedom. In fact, the so-called general elections under the conditions that monopoly capitalists possess most of the means of production and social wealth merely guarantee that the monopoly capitalists can select their favorite political representatives to administer the country on their behalf. The election contests conducted after an interval of a few years are out-and-out elections

based on money. Those who are elected, without exception, work for maintaining the oligarchy. After all, the bourgeois democratic system is the fig leaf to conceal capitalist dictatorship. This fact shows that the broad masses of the people can enjoy extensive, genuine democracy and freedom only under the conditions of public ownership of the means of production.

The substitution of socialist public ownership for private ownership is a profound revolution in China. We should establish and develop public ownership of the means of production and abolish the exploiting class and system so that the people can become real masters of the new country and society enjoying extensive rights to administer the country's economic, cultural, and social affairs according to law. This is essentially different from bourgeois democracy and all other democracies of the exploiting classes based on private ownership. Hence, the course of the Chinese people replacing the social formation based on private ownership with socialist public ownership will inevitably be a course of constantly enhancing and developing socialist democracy.

In the past 40 years since the founding of the PRC, especially since the 3d Plenary Session of the 11th CPC Central Committee, the political system of socialist democracy has been gradually consolidated and the People's Congress system and the multi-party cooperation and political consultation system under the leadership of the Communist Party have been continuously improved. The people, through the National People's Congress and local people's congresses at all levels they elect, exercise the power to manage the state. All kinds of grass-roots democratic systems and democratic supervision systems in society have also been perfected. Through all the basic political systems and democratic systems, the broad masses of people can actively participate in the state administration and in the political life. With the development of socialist democracy and the perfection of the socialist legal system, socialist democratic politics in our country have been gradually institutionalized in the form of legislation. All rights enjoyed by the people are effectively protected by the laws. The PRC Constitution explicitly stipulates that "all power in the PRC belongs to the people." This stipulation has been turned into reality in all fields of society. However, the concocters of the "Declaration" disregarded this reality, and this just showed their antisocialist and anti-people position.

Admittedly, such negative phenomena as corruption and bureaucratism exist in our society. Such negative phenomena exist because, first, our current society originated from a semi-colonial and semi-feudal society, and the vestiges of the old society have not been completely eliminated. Secondly, our country is now situated in the initial stage of socialism and some links in the current relations of production are still imperfect. Defects still exist in some concrete management systems, organizational forms, and work methods. The phenomena of corruption and bureaucratism are exactly what we are going to resolutely correct, and adherence to the public

ownership system is an important guarantee for our efforts to eliminate these evils. In the countries which pursue the private ownership system, official corruption is more common and more serious. This fact also shows that corruption has no inevitable relation with the public ownership system.

Where Do China's Real Hopes Lie

The concocters of the "Declaration" added a subtitle—"China's hopes"—to their declaration in order to increase its appeal to the people. However, the Chinese people, who have tasted the full bitterness of being bullied and exploited in a semi-colonial and semi-feudal society, deeply understand that private ownership is root of all vices. When the means of productions were possessed by the exploiting class, the Chinese society could only be mired in longstanding economic depression, social turmoil, and cultural backwardness; and the working people could only be enslaved by and live at the mercy of the exploiters. If we do not adhere to the principle of taking the socialist public ownership system as the main body of our national economy, and if we return to the capitalist road as the of the "Declaration" advocated, then polarization between the rich and the poor will inevitably appear in our society. Then, the working people will have to again use their sweat and blood to feed and fatten a new "middle class" and the vast majority of the population will again be enslaved by both the foreign capital owners and the domestic exploiting class.

China's real hopes lie in adherence to the socialist public ownership system and in the in-depth reforms which will perfect this system. Only with this system will there be guarantees for economic prosperity and social progress in our country and will the people's master status be consolidated. Admittedly, the socialist public ownership system at the present stage in our country is still not mature and perfect. However, it is necessary to realize that a new ownership system has got to experience a certain historical process from its initial founding to its eventual perfection. The capitalist private ownership system has been developed for several hundred years. Although the nature of private ownership over the means of production has never been changed, the concrete form of this system has been greatly changed and adjusted again and again. The socialist public ownership system in our country has been set up for less than 40 years. So it is unrealistic to hope for its flawlessness. It should also be noticed that the economic operation mechanisms under the public ownership system and the private ownership system are different. Under private ownership, social production is spontaneously adjusted and regulated by the objective economic laws; while under public ownership, social production is guided with scientific predictions and is also constrained by many factors. It is much more difficult to make scientific and accurate predictions and it is hard to avoid some errors. During a fairly long period before the third plenary session, there were indeed some incorrect views on the issue of ownership and some errors in our work. Many

incorrect principles which were not the attributes of public ownership were added to socialist public ownership. For example, lopsided stress was once laid on the "large size" and a "high degree" of public ownership, and we tried to make public ownership pure and exclusive. This made the relations of production unsuited to the actual development level of the productive forces in our country. Moreover, the highly centralized model of administrative management over economic affairs and the state's direct management over enterprises were taken as the sole model for realizing socialist public ownership, and the market mechanisms were discarded and the self-determining right of the enterprises was negated. These deviations and errors weakened the inner vigor of the public economy and prevented the superiority of the socialist public ownership system from being brought into full play.

Through seriously summing up the historical experience, we will be able to deepen our understanding of socialist public ownership. As we understand that it will take a long time to develop and perfect socialist public ownership through painstaking efforts, our confidence in adhering to public ownership will also increase, and we will be able to prevent the mistakes caused by our overanxiety for quick and great successes and prevent unnecessary twists and turns. After the 3d Plenary Session of the 11th CPC Central Committee, the party central leadership has carried out many important reforms and made positive explorations to improve the socialist ownership structure at the present stage and the concrete form of socialist public ownership by proceeding from the basic fact that our country is now situated in the initial stage of socialism. The individual economy and the private economy are allowed to develop in the economic sectors and trades where the degree of socialization is not high; Chinese-foreign joint ventures and enterprises solely owned by foreign investors are allowed to exist as a necessary complement to the socialist public economy. On the other hand, efforts have been made to reform the economic management system which was too highly centralized in the past, and ownership has been separated from management to an appropriate degree so that the public economy can be better suited to the requirements of the development of the socialist planned commodity economy.

The reform practice in the past 10 years shows the ownership structure, with public ownership as the main body and with varied economic elements existing side by side, is suited to our national conditions and the current development level of the productive forces. The reform practice also shows that socialist public ownership has substantial contents and can be realized in various forms, and that public ownership is completely compatible with the commodity economy. As long as we adopt a scientific and rational form of public ownership, publicly-owned enterprises are completely able to become more efficient and are full of vigor and vitality.

All Chinese people who ardently hope for their motherland's prosperity and powerfulness know that the

socialist public ownership system represents the real hopes of China. However, the concocters of the "Declaration" said that many "sons and daughters of the motherland" did not want to act as masters at home and just wanted to go abroad, and some people were even willing to be "third-class citizens" in other countries. This was an out-and-out fabrication. The fact is that the overwhelming majority of Chinese people now studying and working in foreign countries do love their motherland and long for dedicating themselves to the motherland's construction. All patriots who are determined to regenerate the Chinese nation should use their own hands to build the motherland stronger and wealthier and realize their lofty aspirations of having the motherland always stand equally among all nations of the world.

In short, the economic structural reform that we are now carrying out will just improve and develop public ownership under the premise of maintaining this system and never serves the purpose of negating or weakening socialist public ownership. Capitalist privatization will never be allowed in our country. The concocters of the "Declaration" took socialist public ownership as the "root of trouble" and regarded capitalist private ownership as the ultimate objective. They demanded that the state-owned economy, which has a high degree of socialization, have close relations with the national economic lifeblood and the people's livelihood, and even have a bearing on national security, be disintegrated, and turned into private property. If their idea is put into practice, the foundation for large-scale socialized production will inevitably be ruined; serious chaos in the national economy and social polarization will be brought about; and the destruction of productive forces and social turmoil will eventually occur. The main goal of the concocters and supporters of the "Declaration" who called for "sounding the death knell of public ownership at an early date" was to sacrifice the fundamental interests of the working people and to return to the capitalist road. Can the Chinese Communists, who are determined to seek benefit for the majority of the people and the socialist society in which the working people are masters of the state, allow the repetition of such an historical tragedy? No, absolutely not. The Chinese people who have experienced the baptism of blood and fire will firmly advance along the socialist road they have chosen.

Screening, Rectification Prospects Considered

HK2811101689 Beijing RENMIN RIBAO in Chinese
18 Nov 89 p 2

[Article by Staff Reporter Pan Gang (3382 1511): "Keep in Line and Go All Out To Overcome Difficulties—Review of and Prospects for the Work of Screening and Rectifying Companies"]

[Text] Now our work of screening and rectifying companies has entered a crucial stage. Since the CPC Central Committee and the State Council decided to screen and rectify all types of surplus companies, various regions

and departments across the country have done a lot of work and achieved initial results in this work. However, some regions, which lack strong determination to carry out the work of screening and rectifying companies, have made relatively slow progress with respect to this work. According to the initial estimates, only some 10 percent of the total number of surplus companies in China have now either been abolished or amalgamated. Such a low percentage falls far short of the demand of the central authorities and clearly shows that the problem of surplus companies has yet to be resolved once and for all.

Now the problem of surplus companies has become a commonly recognized problem in China. Why is it that some regions and departments in China still lack the determination to abolish and amalgamate their surplus companies? Here are the two major reasons: First, these regions and departments fear that once their surplus companies are abolished or amalgamated, their regional, departmental, and even unit interests will inevitably be harmed; Second, these regions and departments also fear that they will have difficulties in resettling the employees of these surplus companies once these companies are abolished or amalgamated.

It is true that the amalgamation of companies will inevitably lead to readjustment of the existing relations of interests and will probably adversely affect and encroach upon the interests of the parties concerned. However, should we stubbornly adhere to our partial and local interests and allow the surplus companies to continue to do as they like and engage in unlawful business operations, our overall campaign of improving the economic environment and rectifying the economic order would inevitably be hampered. Should that happen, how would we explain the situation to our people?

The companies set up by some economic cooperation offices have long been regarded "profit-making" companies. However, it is in just these companies that some people have gained huge profits by abusing their power and have taken bribes on the pretext of "invigorating the economy." Take the Economic Cooperation and Development Company of Hubei Province for example; in less than 2 years, the company illegally procured some 118,000 yuan by levying excessive maintenance fees and reselling commodities at a profit. Over the past 2 years, the company presented gifts totaling several thousand yuan to the relevant departments at a higher level under various pretenses. In less than the 1 and 1/2 years since January of 1988, the Yingcheng City Economic and Technological Cooperation Company of Hubei Province has purchased a batch of color television sets, refrigerators, video-recorders, brand-name bicycles, and other commodities and then presented these commodities as gifts to the relevant provincial departments and relevant individuals of the provincial government without demanding those departments and individuals to pay or to pay wholly for these commodities. It has been learned that over the past year and half, the company has

presented color television sets, refrigerators, and video-recorders totaling 630,000 yuan as gifts to various provincial departments and provincial cadres.

Seeing these astonishing figures and cases, we can only draw one conclusion: Surplus companies have not only disrupted our country's overall economic order and corrupted our government departments and officials, but have also adversely affected the normal economic activities in some regions of our country. Therefore, it is now all the more necessary for us to amalgamate a batch of companies in order to win the popular support from our people.

Some comrades said: "If we can manage to put an end to the unlawful activities of these companies, things will be quite okay. Why should we try to amalgamate them?" It is true that no company is absolutely perfect in each and every business dealing it conducts. No one can guarantee that a company will not make any mistakes in its business operations. Nevertheless, under the present circumstances, some companies must be amalgamated and we must have the determination to do so. We must take resolute and effective measures to amalgamate those companies which fail to meet the needs of the society or which carry out redundant business operations, lack operational conditions, seriously violate the law and disciplines, suffer serious operational losses, and fail to repay the loans they borrow and those which have been set up by the party and government organs at all levels. Practice over the past few years has borne out that if we only try to put an end to the unlawful activities of these companies, we will be unable to root out the problem once and for all. Whenever conditions are ripe, these companies will again engage in unlawful business activities. The Xian Branch of the China Humanities Development Company is a typical example in this respect.

Since it started business operations in September, 1985, the Xian Branch of the China Humanities Development Company, which has no regular office, regular employees, and responsible department, has been fined a total of 85,000 yuan by the Shaanxi Provincial Industrial and Commercial Bureau and the Xian City Industrial and Commercial Bureau for its illegal business dealings in refrigerators. However, the company showed no sign of repentance and still continued its illegal business dealings by reselling official documents of approval for importing refrigerators at a profit of 200,000 yuan. The company did not "stop" its illegal business dealings until one of its responsible persons was arrested by the relevant judicial organ in accordance with the law.

Not long ago, Vice Premier Tian Jiyun pointed out that now the work of screening and rectifying companies has entered a crucial stage. In order to overcome the difficulties of this work, the State Council has recently put forward four forceful measures, beefed up its work force in this regard, and sent out examination groups and inspection groups to strengthen this work. Recently, the state organs at the central level have abolished 1,018

surplus companies. It is expected that so long as all our comrades unify understanding and actions on this question, we will certainly be able to carry out our work of screening and rectifying companies through to the end and win a decisive victory in our work in the foreseeable future.

Article Analyzes Situation of Eight Cities

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[Article by Wu Shuzhi (2976 2885 1615) and Chen Yuansheng (7115 0337 3932) of the Research Department of the State Council: "An Analysis of the Economic Situation of Eight Major Cities"]

[Text] Recently, comrades representing the research departments and economic research centers of eight major Chinese cities, comprising Beijing, Tianjin, Shanghai, Shenyang, Wuhan, Chongqing, Guangzhou, and Xian, held a meeting in Tianjin to exchange work experience. At the meeting, all the participants analyzed China's national economic situation and put forward a variety of countermeasures and proposals aimed at tackling China's current economic difficulties. In the following we would like to give a brief account of those countermeasures and proposals. At present, the economic situation of the aforementioned eight major Chinese cities is developing in a predetermined orientation of improving the economic environment and rectifying the economic order.

At present, the economic situation of the aforementioned eight cities is indeed rigorous because most of them are currently suffering from a lack of funds, rising production costs, poor economic results, financial deficits, poor marketability of products, overstocking of products, and a variety of other economic problems. Under such circumstances, we should, on the one hand, understand the seriousness and complexity of these economic problems and clearly understand that it is no easy task for us to negotiate them. On the other hand, we should also understand that, at present, China's overall economic situation is developing in a predetermined orientation of improving the economic environment and rectifying the economic order and that the factors for overcoming China's current economic difficulties are also increasing. In facing such a situation, we should neither lower our vigilance nor become pessimistic or disappointed, and should practically adapt our economic work to the new developments in our country.

The comrades participating in the meeting unanimously agreed: At present, most of China's serious economic problems and difficulties are centered in her industrial field. The situation in other fields has remained basically stable. The explicit manifestations of this situation include: First, this year's agricultural production looks much better than that of last year. Production output of grain and other major nonstaple food has increased by a large margin compared with last year. For instance,

despite serious natural calamities this year, the grain output of Chongqing City is still expected to top 5.7 billion jin, exceeding its previous record reached in 1984, thanks to the enforcement of a series of effective measures aimed at supporting agriculture and heightening the production enthusiasm of the peasants. Beijing has not only reaped a good summer grain harvest and increased its summer grain production output by 9 percent, but has also increased its major nonstaple food output (vegetables, pork, and eggs) by a considerably large margin. This year, Wuhan, Guangzhou, and Xian are also expected to increase their farm product output and their overall agricultural output value as scheduled. Second, soaring commodity prices have gradually stabilized and started to drop month by month. In January of this year, the commodity price indexes of Tianjin, Beijing, and Chongqing went up by 24 percent, 28.9 percent, and 35.5 percent respectively compared with the corresponding period last year. However, in August, the commodity price indexes of these three cities fell by 8.4 percent, 12.1 percent, and 11.5 percent respectively compared with the corresponding period last year. By August, the commodity price index of Wuhan had also fallen by 9.8 percent compared with January of this year. The relative stability of agricultural production and commodity prices have helped to stabilize the feelings of the people and the overall economic situation. Third, China has successfully brought its own investment scale and consumption demand under control. The scale of investment in fixed assets in the aforementioned eight major cities has now been compressed in varying degrees. From January to August, the investment in fixed assets in Beijing, Wuhan, Tianjin, and Chongqing fell by 41.1 percent, 38.5 percent, 20 percent, and 14.8 percent respectively compared with the corresponding period last year. The increase in consumption funds, especially the increase in the consumption funds of all types of social groups, has slowed significantly. With price hikes factored in, consumption by all types of social groups has registered a negative increase, while consumption by individuals has registered a minor increase or a negative increase. This is a situation which has not been seen over the past many years. From January to August this year, with price hikes factored in, the incomes of Guangzhou residents increased by only 1 percent. The wages of Shanghai residents increased by 18.7 percent, whereas the cost of living of Shanghai residents increased by 21.4 percent. Therefore, the incomes of Shanghai residents actually fell during this period. However, the bank deposits of the residents of the eight major cities increased rapidly from January to August this year. By the end of August, the bank deposits of Beijing, Tianjin, and Chongqing had registered net increases of 3.44 billion yuan, 1.87 billion yuan, and 1 billion yuan respectively compared with the beginning of last year. Fourth, from January to August this year, the export trade of some of the eight major cities still witnessed an increase. The tourist industry of some of the eight cities also gradually picked up. From January to August this year, the export trade volumes of Beijing and Guangzhou increased by 14 percent and 6.9 percent

respectively compared with the corresponding period last year. This year, the export trade volume of Shanghai is expected to increase by 10 percent over that of last year. Now the tourist industry in Guangzhou has already picked up to the level reached before the recent turmoil and rebellion in Beijing. Moreover, the number of foreign tourists and tourists from other parts of China visiting Beijing and Xian has also picked up rapidly over the past 2 months.

With regard to the dynamic economic development of the eight major cities, the current situation, characterized by slow economic growth and an obvious decrease in market sales, is only normal. This is mainly because last year, all eight cities witnessed an excessively rapid industrial development and an excessive increase in market demand. If we conduct a comprehensive analysis of the dynamic economic development of the eight cities last year and this, we will certainly find that the industrial growth rate and the growth of the total volume of retail sales of social commodities have remained at a normal level over the past 2 years. Taking Wuhan as an example, last year its industrial production increased by over 13 percent. From January to September this year, Wuhan's industrial production registered an accumulated increase of 1.8 percent. It is expected that Wuhan's industrial production will achieve an annual increase of 2 percent this year. It is also estimated that the average annual rate of increase of Wuhan's industrial production over the past 2 years is around 7.5 percent. Last year, the total volume of retail sales of social commodities in Wuhan went up by over 30 percent. From January to September of this year, they saw an accumulated increase of 3 percent. The average annual rate of increase of the total volume of retail sales of social commodities of Wuhan City over the past 2 years is expected to top 16 percent. In addition, from an overall and long-term perspective, cooling the overheated economy and slowing down the excessively fast economic development speed to a reasonable level is not only the most important task of our current campaign aimed at improving the economic environment and rectifying the economic order, but it will also help to create the conditions and lay a solid foundation for China's national economy to develop in a coordinated and steady manner in the future.

The comrades from some of the eight cities also estimated and analyzed the future economic development of their own cities. Those comrades ruled out the possibility of a fundamental turn for the better in the overall economic situation of their cities in the 4th quarter of this year and the first half of next year. Rather, some of the current problems in the economic development of their cities are most likely to become more serious (for example, more enterprises are expected to suspend or partially suspend production because their products have become unsalable on the market). Nevertheless, those comrades also believed that the factors for resolving these problems will also multiply with the deepening of the campaign to improve the economic environment and

rectifying the economic order. It is predicted that in the second half of next year, the economic situation, particularly the market situation, of the eight cities will probably witness a gradual turn for the better. The main reasons are: 1) The slow market sales of commodities has been caused by excessively rapid sales over the past several years and by the panic purchasing witnessed in the second half of last year. Since the state has begun exercising strict control over the import of consumer goods and has begun expanding its export trade, it is believed that the market situation will soon improve. 2) Commodity prices will continue to remain stable and maintain a downward momentum while the value-guaranteed bank deposits will correspondingly lose their attraction (now more than 80 percent of bank deposits are value-guaranteed bank deposits). As a result, people will gradually turn to spending more money on purchasing commodities. 3) With the deepening of the campaign aimed at screening and rectifying companies, China's circulation field will gradually resume its normal order. Along with the further rectification of township and town enterprises, some fake and substandard commodities will gradually be driven out of the market. As a result, quality commodities will gradually regain the market. Some proposals aimed at furthering the campaign of improving the economic environment and rectifying the economic order and extricating China's economy from its present predicament

1. In order to overcome the current economic difficulties, an urgent task at present is to invigorate all the big and medium-sized backbone enterprises. In order to do this, we must first of all make every possible endeavor to stabilize our policies. In order to win support from factory directors and staff and workers, we must continue to adhere to and further perfect the contracted management responsibility system and the factory director responsibility system. Second, we should do everything possible to guarantee the provision of funds and goods and materials to all the big and medium-sized backbone enterprises. We must guarantee the supply of circulating funds, raw and processed materials, and energy to all the big and medium-sized backbone enterprises. Third, we must strengthen enterprise management. The state should issue not only mandatory production plans, but also mandatory plans concerning the provision of raw and processed materials, energy, and transportation. The state should also examine and supervise the implementation of its mandatory plans and apply necessary economic and administrative sanctions against those enterprises which refuse to implement state mandatory plans so as to safeguard the dignity of the state plans.

2. We must make an overall plan for our campaign aimed at improving the economic environment and rectifying the economic order. First, we should properly and realistically set the goals of our campaign. We should understand that it is unrealistic to resolve within 2 or 3 years all our economic problems which have accumulated over the many years. Our campaign will only help

to resolve some of China's most serious economic contradictions and economic problems. At present, we should concentrate our efforts on checking soaring prices and rectifying our circulation order. We must exert our utmost to solve the problem of being only capable of controlling the total retail price index of social commodities and being incapable of checking the soaring prices of production means. There now exists a price differential of over 1,000 yuan between government prices and negotiated prices for production means. The state and the units producing raw and processed material can only benefit a little or even not at all from such huge profits generated in circulation. So long as we make up our minds and make redoubled efforts to rectify our circulation order, state financial revenue will certainly be able to recover tens of billions of yuan a year; Second, we should organically integrate our campaign aimed at improving the economic environment and rectifying the economic order with our efforts aimed at attaining the goals set for our second-phase economic development. While carrying out the economic readjustment, we should also maintain a proper speed of economic development because excessively slow economic development will only give rise to new contradictions. Third, while carrying out the economic readjustment, we should see to it that the standard of living of the majority will not be lowered. In the course of our economic readjustment, some localities and departments have to sacrifice some of their partial interests. However, our economic readjustment should not be realized at the expense of the income of the majority of staff and workers. Over the past few years, the actual standard of living of some staff and workers who rely solely on their wages has dropped as a result of price hikes. Only by guaranteeing and improving the standard of living of the broad masses of staff and workers who are the very creators of social wealth will we be able to lay a firm basis upon which we will be able to attain our goal of improving the economic environment and rectifying the economic order.

3. We must increase the proportion of the state financial income in our national income and increase the proportion of the central financial income in the state financial income. In so doing, we should employ different methods in different regions and under different circumstances. At present, about one-third of China's provinces and autonomous regions still rely on state financial subsidies; about one-third are able to maintain their own financial balance by themselves; and about one-third are able to turn over financial revenue to the central authorities. In order to increase the proportion of the central financial income in the state financial income, we should not only demand that the provinces, autonomous regions, and municipalities which have the duty to turn over part of their profits to the state reduce their profit-retention ratio, but should also demand that some provinces and autonomous regions which have either relied on state financial subsidies for many years, have been able to maintain their own financial balance by themselves, or have developed rapidly over the past few years demand fewer state financial subsidies. Some of the rapidly developing provinces and

autonomous regions should make more contributions in this regard. While increasing the proportion of the state financial income in our national income, we must take into account the recent changes in the income structure of the people and should not shift the burden of increasing the proportion of the state financial income in the national income onto the big and medium-sized state-run backbone enterprises.

4. We must waste no time in making an inventory of the assets and funds in the possession of the big and medium-sized enterprises. Due to price hikes and short-term behavior on the part of certain enterprises over the past few years, the assets of a lot of enterprises have depreciated. Moreover, a lot of seemingly profit-making enterprises have actually suffered operational losses over the past few years. At present, the book assets and funds in the possession of many enterprises fail to reflect the real operational situation of the enterprises. If such a situation is allowed to continue unabated, many enterprises will gradually be deprived of their vitality and reserve strength, which will in turn result in more operational losses on their part. Therefore, the state should carry out an overall examination and check-up of the assets and funds in the possession of the big and medium-sized backbone enterprises during the present campaign aimed at improving the economic environment and rectifying the economic order, and should define in explicit terms deadlines and channels for all the money-losing big and medium-sized backbone enterprises for turning their losses into profits.

Progress Made With Autumn Grain Procurement
OW2611233389 Beijing Domestic Service in Mandarin
1030 GMT 26 Nov 89

[From the "National Hookup" program]

[Text] Compared with last year, China made greater progress in procuring autumn grain crops this year. As of now, a total of 37.545 million tons of autumn crops are in storage and 75.1 percent of the annual procurement targets are fulfilled. The amount of autumn grain crops procured this year exceeded the 1988 figure by 2.323 million tons. According to information from the Ministry of Commerce, this year's targets for all autumn grain crop procurement on a contractual basis were basically fulfilled without having to issue promissory notes, thanks to the efforts of the leadership at all levels. Progress in this year's fall grain crop procurement is more rapid than that of last year.

Right now, the annual target for autumn crop procurement on a contractual basis was fulfilled in Fujian, Henan, Guangdong, Guangxi, Hainan, and Sichuan. The annual target for fall crop procurement on a contractual basis was more than 90 percent fulfilled in Hubei, Hunan, Jiangxi, Ningxia, and Xinjiang. Due to weather conditions, Liaoning, Jilin, Inner Mongolia, Shanxi, and other regions in northern China lagged somewhat behind southern China in procuring the autumn grain crops.

In addition, many peasants in Hunan, Hubei, and Anhui have recently reported that they are faced with difficulties this year in selling grain crops. A person in charge of grain procurement from the Ministry of Commerce said: The current difficulties in selling grain crops only reflect difficulties in selling grain crops at negotiated prices. Due to shortage of funds, many localities can only ensure the purchases of grain crops on a contractual basis while they have limited funds for the purchase of grain crops at negotiated prices. He hoped that the grain procurement departments at all levels would try their best to raise more funds so as to help peasants overcome their difficulties.

East Region

Fujian Secretary, Other Leaders Do Manual Labor

OW0212153489 Beijing XINHUA Domestic Service
in Chinese 1620 GMT 23 Nov 89

[By reporter Cai Guicun (5591 3802 2625)]

[Text] Fuzhou, 23 Nov (XINHUA)—Chen Guangyi, secretary of the Fujian provincial party committee; Wang Zhaoguo, deputy secretary of the provincial party committee and governor; and Yuan Qitong, Standing Committee member of the provincial party committee and secretary of the Fuzhou City party committee, led some 700 cadres of offices directly under the province and the city to Langqi Dao, an island some 50 km from Fuzhou. Bringing their dried rations with them, they braved the rain to take part in activities to reclaim farmland.

An island located at the mouth of Min Jiang, Langqi has a mild climate and fertile soil, but scarce farmland and a large population. In order to increase the island's grain output and raise per capita grain for the 60,000 islanders, the Fuzhou City party committee and the city government decided at the end of last year to enclose the tideland on the alluvial beaches on the eastern section of the island for crop cultivation.

Today was rainy. As soon as they arrived at the island, the leaders loaded one cart after another with sandy soil, and pulled the loaded carts along a 500 meter rugged muddy path, leaving heavy cartwheel imprints. After they emptied the carts at the end of the path, they rushed back for another load. Chen Guangyi, Wang Zhaoguo, and Yuan Qitong pulled two carts without a break. When a young cadre asked if he could take Chen Guangyi's place, Chen said: "There is no need to help me. I did this in the countryside before." Then he pulled four more carts, until the rain became too heavy and Hong Yongshi, chief commander of the project and the mayor of Fuzhou City, announced that it was lunch time. By that time, Governor Wang Zhaoguo and city party Secretary Yuan Qitong had also completed pulling six carts.

They ate their lunch of dried rations under a tree. As soon as the rain subsided, they started again, even though they had not finished eating. Mayor Hong Yongshi announced that it would be good if everyone pulled 10 carts. However, Chen Guangyi, Wang Zhaoguo, and Yuan Qitong each pulled 12 loaded carts on the rugged, muddy path, for a total of more than 20,000 meters.

Bidding farewell to the islanders, Chen Guangyi said: Today is not the end of our labor. From now on, we will regularly take part in production labor, regarding it as a system for retaining the true color of laboring people.

Chen Guangyi Speaks at Fujian CPPCC Meeting

OW0512032489 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 24 Nov 89

[Excerpt] The Eighth Session of the Standing Committee of the Sixth Fujian Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] opened on 24 November. High on the agenda of the meeting was relaying and studying the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the 8th Plenary Session of the Standing Committee of the CPPCC National Committee.

Chen Guangyi, secretary of the provincial party committee and chairman of the provincial CPPCC committee, briefed the meeting on the general situation of the 5th Plenary Session of the 13th CPC Central Committee and relayed its guidelines. He said: The fifth plenary session was held in an earnest and serious manner and in a lively democratic spirit. An atmosphere of inspiring participants with enthusiasm and arousing them to unite, pool everyone's wisdom and energy in overcoming difficulties, and fight for a common cause permeated the session from beginning to end. It was a very important meeting. It was extremely significant for seeking unity of thinking among members of the whole party, overcoming the difficulties confronting us at present, promoting sustained, steady, and coordinated development of the national economy, and strengthening and promoting political stability and unity. He urged all democratic parties and patriotic personages in every field of endeavor in our province, together with all the people, to even more closely rally around the party's Central Committee with Comrade Jiang Zemin at its core, earnestly study and resolutely carry out the guidelines of the fifth plenary session, strengthen their confidence, unite together to struggle for the common cause, offer advice and exert themselves, start businesses by working arduously, overcome difficulties, achieve further successes in the campaign to improve the economic environment and rectify the economic order and in carrying out the reform and open policy, and make efforts to bring about sustained, steady, and coordinated economic development in our province.

Ling Qing, vice chairman of the provincial CPPCC committee, relayed the guidelines of the Eighth Session of the Standing Committee of the Seventh CPPCC National Committee.

Also on the agenda for the session were discussions of the draft resolution on studying and implementing the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the draft resolution on examination and deliberation by the Local Work Committee of the Fujian Provincial CPPCC Committee, and namelists of personnel appointed and dismissed. [passage omitted]

Xiang Shouzhi Attends Jiangsu PLA Meeting

*OW301113589 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 18 Nov 89*

[Excerpts] The organ of the Nanjing Military Region held a meeting to report on advanced deeds in performing duty with honesty this afternoon [18 November]. Commander Xiang Shouzhi, Political Commissar Fu Kuiqing, and other leading comrades Guo Tao, (Wang Chengbin), Zhang Ming, Liu Lunxian, and Yu Yongb of the Military Region were present at the meeting. [passage omitted]

Political Commissar Fu Kuiqing spoke at the meeting, calling on offices under the Military Region as well as its commanders and fighters to actively respond to the party Central Committee's call and, under the leadership of the Central Military Commission and the Military Region party committee, further promote the construction of a clean office and improve party style of the Military Region.

Article Discusses Jiangsu Economic Measures

*OW0312131589 Nanjing XINHUA RIBAO in Chinese
12 Nov 89 p 1*

[Text] The Jiangsu Provincial Government recently expressed its views on stabilizing the economy and invigorating enterprises in light of the new situations and problems which have cropped up in the course of improving the economic environment, rectifying the economic order, and deepening the reform. It stressed the need to stabilize the policies and make people feel at ease so they will be able to achieve the goal of stabilizing enterprises and the economy as a whole. It has called on various city and county governments and all provincial-level departments to implement in an overall manner the guidelines laid down by the 4th Plenary Session of the 13th CPC Central Committee, arouse the enthusiasm of the enterprises and workers, invigorate their spirit, overcome difficulties, and achieve sustained and steady growth in the fields of industry and communications in the province.

1. We must earnestly study and fully understand the principles laid down in the important speech by Comrade Jiang Zemin at the 40th anniversary of the founding of the nation. We must unify our thinking, work hard with a revolutionary drive and with one heart and one mind, overcome difficulties, and concentrate our efforts on increasing production. We must strengthen management, promote sales, improve our work efficiency, and try our best to fulfill this year's national plan. We must decide on a number of major products and enterprises, particularly large and medium enterprises, so that we can try our best to supply them with funds, foreign exchange, energy, raw materials, transportation facilities, and manpower, and so that we can help them maintain sustained and steady growth in the production of major products. This will play a significant role in stabilizing the overall economic situation in the province. The economic

departments at all levels must vigorously help enterprises overcome difficulties and take the initiative to improve their coordination with various departments and carry out their service work well.

2. We must persistently implement the system under which a director assumes full responsibility. The system under which a director or manager assumes full responsibility is clearly defined in the Enterprise Law. A factory director is a legal entity who represents an enterprise and plays a decisive role in carrying out production management and making policy decisions. We must fully reaffirm the fact that the majority of factory directors, secretaries of party organizations, cadres in charge of political work, and administrative personnel in various enterprises are good or fairly good in carrying out reform and opening to the outside world. They have worked hard with high efficiency and made tremendous contributions to developing the modernization program. The leading role of the party organizations in various enterprises must be ensured in carrying out ideological and political work in the enterprises. Factory directors and secretaries of party organizations in various enterprises must fully understand this issue and correctly handle the relations between factory directors and party committees while keeping in mind the interests of the party and the state. Party organizations in various enterprises must support and encourage factory directors to perform their duties and exercise their rights, and lead and rely on the broad masses of workers and staff members in promoting production and running the enterprises. Factory directors must support party organizations in various enterprises to play their leading role in political affairs, strengthening the ranks of political workers, and intensifying ideological and political work among the workers and staff members. Efforts must be made to improve the system of democratic management by the workers and staff members and bring into full play the role of the working class as the masters of their own destiny.

3. We must persistently carry out the contract system for enterprise management without change. Our experience in carrying out reform during the past 2 years proves that we have scored major achievements in implementing the contract system for enterprise management, but there is also a need to continuously improve this system. To improve this system, we must set up reasonable targets, determine the basic figures in a reasonable manner, evaluate enterprises by taking into consideration their work efficiency, and correctly handle the relations among the state, the collective, and individuals. In handling those enterprises whose contracts will expire this year or next, we should deal with each case on its merits and properly extend the validity of their contracts so that they may keep pace with the 3-year state plan for readjustment. In principle, there will be no major changes in implementing the measure of linking the contract system with work efficiency. However, adjustments can be made if the basic figures of the contracts are found to be unreasonable in some of the enterprises during the period of readjustment. Those large and

medium major enterprises which conform with the state industrial policies, constitute a part of the basic industries in the province, turn out strategic products, which are carrying out arduous long-term technical innovation tasks, or which have already set their production and construction targets for the next few years may sign the next round of contracts with the approval of the relevant departments. A policy in favor of the superior over the inferior may be implemented in determining the basic figures for a contract and allowing an enterprise to retain some profits for its own use. The contracting period may be adjusted to keep pace with the state plan for readjustment so as to help enterprises accumulate more funds and do a better job in renovation. Strenuous efforts must be made to combat the trend of "replacing management with the contract system."

4. In carrying out our work to combat corruption and maintain a clean and honest government, we must adhere to the principle of persistently opening to the outside world, stabilizing our policies and regulations, and punishing those who violate laws and party discipline. In dealing with problems which have cropped up in the course of strengthening economic ties among enterprises and expanding business activities of various enterprises, we must draw a clear-cut demarcation line as follows:

No investigation will be made of any enterprise if it has done something according to the relevant rules and regulations in the past set by the party committees and governments at all levels or with the approval of a department of a higher level, even though such rules and regulations may no longer conform with the current rules and regulations. Neither will enterprises be investigated for something they did as long as what they did violates no law or seeks no private gains. However, it is necessary to draw lessons from what they did and to make corrections. The system of contracted responsibilities for supply and marketing personnel with remuneration linked to the amount of products bought or sold is an effective form of implementing the contract system for enterprise management. We must continue to implement such a system and keep improving it so that it will become even more effective. In income distribution, we must overcome egalitarianism while avoiding the excessively widening gap between those with low and high income. Enterprises are allowed to set aside a certain amount of business expenses and funds for entertaining guests in the course of conducting regular business activities. However, it is essential to bring into full play the spirit of remaining honest in performing official duties and practicing economy, and to conform with the standards set by the relevant departments in the province. All forms of entertainment must be simple and reasonable. It is necessary to oppose extravagant eating and drinking and to combat extravagance and waste. Personnel in party and government organizations, departments in charge of enterprise operations, and mass organizations at various levels must strictly abide by the rules and regulations stipulated in relevant documents issued by the general offices of the CPC Central

Committee, the State Council, and the provincial party committee when they inspect the work of enterprises or conduct appraisal activities in enterprises. Relevant policies and stipulations formulated in the past by the provincial party committee and the provincial government to deepen the reform and invigorate enterprises, such as the policies and stipulations on giving greater decisionmaking power to enterprises, developing lateral economic cooperation, developing village and town enterprises, developing an export-oriented economy, accelerating technological progress, and banning various forms of apportionment, should remain valid unless they have been superseded by revised policies and stipulations issued by the party Central Committee and the State Council in the course of improving the economic environment and rectifying the economic order.

5. We must pay great attention to improving the management and economic efficiency of enterprises. At present, all enterprises should, in the course of improving the economic environment and rectifying the economic order, make great efforts to carry out the campaign to increase production and practice economy and to raise revenues and reduce expenditures, as well as follow the socialist labor emulation campaign. They should readjust the product mix, improve the quality of products, lower material consumption, promote safe production, strengthen groundwork, introduce modern management, and strive to enhance their ability to compete with others and ability to cope with emergencies. It is necessary to integrate reform, management, and the upgrading of enterprises; to assign objectives and measures to various levels, including the grass roots; to correctly handle the relationship between ideological and political work and the material interests of the workers and staff members; to arouse the sense of responsibility as masters of the enterprise; and to further arouse enthusiasm for production so that they will contribute to the stability of their enterprise and the economy.

Jiangxi Governor Speaks on Economic Situation
OW0312053489 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 16 Nov 89

[Text] The provincial meeting on production work held by the Jiangxi provincial people's government ended in Nanchang this morning. Wu Guanzheng, deputy secretary of the provincial party committee and governor of Jiangxi, delivered a speech on the questions of production and operation of enterprises at present which are of concern to all people and have a bearing on stabilizing state policies and setting people's mind at ease.

Jiang Zhuping, deputy secretary of the provincial party committee and vice governor of Jiangxi, presided over today's meeting and spoke at the end of the meeting. Vice Governors Qian Jiaming, Sun Xiyue, and Chen Guizun attended the meeting.

In his speech, Wu Guanzheng said: Since September last year, Jiangxi achieved initial results in improving the

economic environment and rectifying economy order. However, the deep-rooted problems that formed and accumulated in economic life for many years have not been all solved. Moreover, some new contradictions and new problems have emerged. The conspicuous problems include: a shortage of funds, a weak market, sluggish sales for products of many enterprises, and unsatisfactory economic results for enterprises. In order to solve those problems, we must carry out even more firmly the policy of improving the economic environment and rectifying economic order, strengthen our efforts to adjust the production structure, improve enterprise management, promote technological progress, tap all potentialities, increase economic results, and raise the quality of enterprises.

He said: Leading cadres at various levels must heighten their spirit; eliminate all kinds of doubts in the minds of some cadres and people; bring every positive factor into play; ensure a stable growth of industrial production and development of transportation; strive to maintain a relatively normal growth rate in the first quarter of next year; and realize a prolonged, stable, and coordinated development of the national economy.

Wu Guanzheng said: We must continue to adhere to and improve the enterprise contract responsibility system. He said: In the course of keeping to and improving the contract responsibility system, in principle, the basic index for contract should not be changed. As to those enterprises whose contracts will end this year, we can permit them to extend their contracts for another year. Toward those enterprises with favorable conditions, contracts may be renewed without limitation. The existing contracts should be respected and contractors should be paid in cash. We should further improve the contents of contracts, perfect the checking and evaluating system, actively explore reasonable forms of the contract responsibility system, and correctly handle relations between the state and enterprises.

Wu Guanzheng said: We should continue to implement and perfect the system of having the plant director assume full responsibility. He said: Now we should clearly define the party organization's position as the political core of an enterprise. At the same time, we should preserve the position of the plant director as the center of the enterprise. We should further deepen and improve the reform of the leading system of enterprise. Our goal is to do a good job in running socialist enterprises. The plant directors should have the courage to assume responsibility for production and operation. They should dare to grasp and administer production and operation. They should boldly handle administrative work, production, technological matters, and the development of enterprises in an independent and responsible manner. We must persist in grasping both spiritual and material civilization and attach importance to this point in carrying out ideological and political work. The secretaries of party committees of enterprises should grasp the work of developing the leading role of

party organizations in conducting ideological and political work; carry out the party's mass work and organizational work; effectively insure enterprises' implementation of the principles and policies of the party and state; guarantee the socialist orientation of enterprises; and support plant directors in their exercise of power in operations, management, production and technological development in an independent and responsible manner. He said: The marketing responsibility system of enterprises is a relatively good method in improving contract responsibility system and must be continued.

He said: The work of insuring honesty in performing official duties is a matter of great importance to the whole party and people of the whole country. In enterprises, we should also insure honesty in operation. However, we must distinguish between different circumstances in financial matters of enterprises and handle them in a prudent manner.

Wu Guanzheng said: We should actively support and enthusiastically show concern for the leading cadres of enterprises. He said: Governments at various levels should, with perfect assurance, support those comrades who have done actual good things. We should commend those plant directors, managers, and secretaries who have a high sense of party spirit, good workstyle, prominent achievements, and are honest in performing official duties. We should support them to do their work in a bold manner. Leading cadres of various enterprises should also set strict demands on themselves and have a correct attitude toward checking and supervision by discipline inspection departments, judicial departments, and economic supervisory units. The operators should strictly manage their enterprises, set rigid labor discipline; operate in a lawful manner; and unite all cadres, staff members, and workers to do a good job in production and operation together.

Jiangxi Discipline Inspection Committee Convenes

OW0512115489 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Nov 89

[Excerpts] The Seventh Plenary Session of the Jiangxi Provincial CPC Discipline Inspection Committee was held in Nanchang from 23 to 24 November, 1989. Attending the meeting were 40 members of the provincial CPC Discipline Inspection Committee. Responsible comrades of relevant departments also attended the meeting, as observers.

The meeting was held mainly for learning how to implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, the 5th Plenary Session of the CPC Discipline Inspection Committee, and the 9th plenary session of the 8th provincial CPC Committee; for studying and planning major tasks for further improving the economic environment, rectifying economic order, and deepening the reforms; and for continuing to strengthen the construction of party work style and party discipline in the province.

Wu Guangzheng, Liu Fangren, and Jiang Zhuping, the leading comrades of the Jiangxi Provincial CPC Committee, attended and delivered important speeches.

Zhu Zhihong, secretary of the Discipline Inspection Committee, conveyed the guidelines of the 5th Plenary Session of the CPC Discipline Inspection Committee and made a speech on conscientiously carrying out the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and further strengthening the construction of party work style and party discipline in the province.

The meeting unanimously supported the resolutions on further improving the economic environment, rectifying economic order, and deepening the reform adopted by the 5th Plenary Session of the 13th CPC Central Committee; the decision by the CPC Central Committee agreeing to Comrade Deng Xiaoping's resignation from his post as chairman of the CPC Military Committee; and on the readjustment of the component members of the CPC Military Committee. The meeting also unanimously supported the circular of the 5th Plenary Session of the CPC Discipline Inspection Committee and the resolution adopted by the 9th Plenary Session of the 8th Jiangxi Provincial CPC Committee on carrying out the CPC Central Committee's decision on further improving the economic environment, rectifying economic order, and deepening the reforms. [passage omitted]

Jiangxi Bans Use of Public Funds To Send Gifts

OW0112125789 Nanchang JIANGXI RIBAO in Chinese
11 Nov 89 p 1

[Circular on banning the use of public funds to send gifts, issued on 9 November 1989 by the General Offices of the Jiangxi Provincial CPC Committee and the Jiangxi Provincial People's Government]

[Text] Since the beginning of this year, party and government departments in our province have done a great deal to promote honesty and clean administration. Marked results have been made in this respect. In the past, the phenomenon of "nothing can be done without offering gifts" was a frequent occurrence. The masses are quite satisfied now that this phenomenon has been checked. As New Year's Day and the Spring Festival of 1990 are approaching, to prevent and eliminate the bad practice of using public funds to send gifts and to consolidate and develop the achievements made in promoting clean administration, we hereby issue the following circular:

Effective from this day, all party and government departments (including individuals) throughout the province are strictly banned from using public funds to buy gifts; they are not permitted to give gifts to a high-level department, administrative unit, or individual under any circumstances and in any form; nor will they be permitted to accept gifts from lower-level organs, enterprises, or institutions, and articles and goods bought at

low prices or subsidized by these organizations. Enterprises and institutions throughout the province are not permitted to give gifts to party and government organs, higher-level administrative units, or individual under any circumstances and in any form; they are also not permitted to exchange gifts through the use of public funds under any pretext.

Cadres of party and government organs at all levels, particularly leading comrades, must set a strict demand on themselves. They should also teach their family members to set an example with actual deeds. They should firmly refuse to accept gifts, teach the gift-senders a lesson, and ask them to take the gift back. Gifts which have been left in a unit must be handed over to its financial department for handling within 10 days of the gift being received. Anyone trying to hid the gifts will be charged with accepting bribes.

It is necessary to mobilize the masses to take part in supervision. Discipline inspection and supervisory departments at all levels should carry out regular checks and earnestly criticize and educate units and individuals giving or accepting gifts in violation of discipline. Serious cases must be thoroughly investigated, and party and government disciplinary action should be taken against those responsible.

Shandong's Jiang Chunyun on Developing Enterprises

SK0312102889 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 26 Nov 89

[Text] During his investigation tour in Zibo City on 23-24 November, Jiang Chunyun, secretary of the provincial party committee, pointed out: To implement the guidelines of the fifth plenary session, we should correctly analyze and understand the situation; inspire national self-respect and self-confidence; make concerted efforts to improve the economic environment, rectify the economic order, and deepen reforms; strengthen enterprise management; overcome the current economic difficulties; and strive to ensure a sustained, stable, and coordinated development of the national economy.

Jiang Chunyun pointed out: We should judge the situation in line with the principle that one divides into two. That is, we should understand the main aspects of the situation as well as the difficulties and problems. The difficulties ahead of us at present are advancing simply because they tend to crop up in situations when the economy is flourishing, the economic reserve strength is enhanced, and the people's living standards are noticeably improved. Only by making an effort will we certainly overcome these difficulties. The hostile Western forces were bent on subjugating our country, and vainly attempted to subvert the socialist system and change the nature of our country. After we quelled the turmoil and the rebellion, they attempted to apply sanctions against us in order to make us collapse economically. The Chinese people who have already stood up shall never yield to

any pressure. So we should inspire our national self-respect and self-confidence, work hard, make concerted efforts, safeguard the leadership of the party, and uphold the socialist system with the practical deeds of achieving the work indicated in all spheres.

Jiang Chunyun pointed out: Carrying out reforms and opening the country to the outside world is a way to make our country strong. We should thus work continuously to do a good job in this respect. By no means must we take the road back. We should accelerate the pace of bringing in and assimilating technologies and equipment; strengthen the development of high-grade, precision, and advanced industrial products; bring into full play the functions of intellectuals and the advantages of natural resources; and rely on scientific and technological progress to transform and improve traditional industries and vigorously develop an export-oriented economy.

Jiang Chunyun pointed out: The key to strengthening enterprise management is to set up vitalized mechanisms. First, enterprises should set up a mechanism to kindle the enthusiasm and initiative of cadres, staff, and workers. Cadres and workers should bring their wisdom into full play and do their own jobs well. Second, enterprises should set up a mechanism of standards and restrictions, in order to change from the previous method whereby people were managed by the people to the method whereby people are managed by systems. It is necessary to standardize all types of work in production and to set up standards for quality, quantity, implements of production, technology, discipline, and work attitude. Third, enterprises should set up a mechanism for renewing and upgrading products. Enterprises' competitiveness and optimum efficiency depend on products of high quality and on new varieties. We should attend to market calculation and be aware of and alert to market demands. Fourth, enterprises should set up a mechanism for developing technologies and intelligence in order to impart to the staff and workers great eagerness to master technology, engage in creation and invention, and make reasonable suggestions. Fifth, enterprises should set up a mechanism of tapping internal potential and for reducing consumption. Poor quality and high consumption are weak links in enterprise management. Thus, enterprises should make breakthroughs in these respects. Sixth, enterprises should set up a guaranteeing mechanism. Enterprises should balance the relationship of plant directors, party committees, and staff and workers congresses; respect the key role of plant directors, party committees' role as the political core, and staff and workers congresses' role as the master of enterprises; and have them organically work in cooperation with each other. Plant directors, party committees, and staff and workers should work in line with the same targets, play their different parts well, and make concerted efforts to develop enterprises.

Shandong's Jiang Chunyun Inspects Mountain Areas
SK0312102989 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 28 Nov 89

[Text] On the morning of 27 November, in spite of the snow, Jiang Chunyun, secretary of the provincial party committee, inspected the conditions of the people in the mountain areas of Zouping County, an old revolutionary base. At peasants' homes, he held heart-to-heart talks with the masses to ask about their living conditions with deep concern, and also held a forum attended by veteran party members.

Comrade Jiang Chunyun first visited (Dongyu) village of (Xidong) Township, and called on some veteran party members there. He asked them in detail about their conditions for getting grain, water, and fire wood, and asked about the agricultural production situation.

Jiang Chunyun said: On behalf of the provincial party committee and the provincial government, I extend cordial regards to the people in the mountain areas and the old liberated areas.

(Li Xin), secretary of the (Dongyu) village party branch, reported the situation of the village to Jiang Chunyun. He said: Thirty-two comrades of the village sacrificed their lives in succession during the war of resistance against Japan. The masses in the village cherish a deep affection for the party. Over the past years, the village has had bad grain harvests due to successive droughts. As a result, the per capita income of the village is less than 200 yuan. However, the party members here have taken the lead in transforming mountains and taming rivers, united with the people to combat the natural disasters, and provided for and helped themselves by engaging in production. Thus, the people's living difficulties have basically been solved.

Jiang Chunyun highly praised the people in the old liberated areas for carrying forward the revolutionary traditions in the course of the four modernizations.

Jiang Chunyun pointed out: To seek wealth, the people in the mountain areas should first tame rivers, build roads, and plant trees, and bring their advantages into full play to afforest barren hills. Simultaneously, party members should continuously take the lead in carrying forward the spirit of doing pioneering work through self-reliance and arduous struggle, and guide the people to change the mountain areas' backward aspects as soon as possible.

While inspecting the conditions of the people in (Dongguan) village of the town of (Zouping), where the people are comparatively well-off, Jiang Chunyun pointed out: The well-off villages also have to be industrious and thrifty and to practice economy. They should increase the investment in agriculture, develop water conservancy projects, and strengthen and perfect the agricultural service system. The socialist road is getting wider and wider along with its development. Following the first step toward comparative prosperity, we should also

make the second step. The well-off villages should guide the nearby villages to seek wealth.

Military Region in Shandong Studies Plenum

SK1911125589 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Nov 89

[Text] On the afternoon of 18 November, the third enlarged session of the Sixth Jinan Military Region CPC Committee ceremoniously opened in the city of Jinan. Major items on the session's agenda include relaying and studying the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the enlarged session of the Central Military Commission, the analysis of the situation prevailing in building up PLA units throughout the region, and the work arrangements for 1990.

Song Qingwei, secretary of the military region party committee, presided over the session at which Li Jiulong, deputy secretary of the military region party committee, delivered a report on relaying the spirit of the fifth plenary session; and Gu Hui, member of the military region party Standing Committee, also made a report on relaying the documents concerned that were adopted at the fifth plenary session.

Attending the session were members of the military region party Standing Committee, including Zhang Zhijian, Ma Weizhi, Cao Pingsheng, Xu Chunyang, Jiang Futang, and Zhang Zonglin.

During the session, Comrade Song Qingwei made an important speech, in which he urged all participating comrades to study well the documents to the letter and master well the spirit of these documents. By bearing in mind the problems about understanding, they should do a good job in unifying thinking and understanding and upgrade their understanding in the following three aspects: 1) They should deeply understand that the important policy decision made by the CPC Central Committee on improving the economic environment, rectifying economic order, and deepening the reform drive is very brilliant. A good job should be done in correctly dealing with the relations among the interests of the state, Armed forces, and individuals; enhancing confidence; and in making an all-out effort to make a success in work. 2) They should deeply understand the great achievements scored by Comrade Deng Xiaoping in the long-standing revolutionary struggle and the far-reaching influence fostered by Comrade Deng Xiaoping in setting an example in discarding the life-long leading post system. They should resolutely support the new leading authorities of the Central Military Commission whose chairman is Comrade Jiang Zemin. 3) They should clearly discern that the guiding ideology and work emphasis set forth by the Central Military Commission for 1990 are totally in conformity with the reality of the PLA units, deeply master the importance on enhancing political construction among the PLA units, should further upgrade their sense of responsibility and consciousness in always being qualified soldiers in politics.

Shanghai Export Trade Increases in October

OW3011063689 Shanghai JIEFANG RIBAO in Chinese 9 Nov 89 p 1

[Excerpts] According to statistics compiled by the department concerned, Shanghai Municipality earned \$430 million of foreign exchange through export in October, an increase of \$105 million or 32 percent over the same month last year. This was the biggest increase since the beginning of this year. From January to October, the municipality exported a total of \$3,976 million worth of goods, fulfilling 95.6 percent of the \$4.16 billion export plan issued by the Ministry of Foreign Economic Relations and Trade and fulfilling 79.5 percent of the municipality's \$5 billion export goal for this year. The export volume increased \$157.7 million or 4.13 percent over the same period last year. [passage omitted]

This year has less than 2 months left. To reach the \$5 billion goal, it is necessary to export about \$512 million worth of goods a month. Thus the task is arduous. For this reason, the municipal commission for foreign economic relations and trade has asked all foreign trade companies to make the best use of their time, surmount all difficulties, act in the spirit of a sprinter, and try in every possible way to achieve the export goal of \$5 billion.

Zhejiang Leaders Address 'Mobilization Meeting'

OW2811152689 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 18 Nov 89

[From the "Provincial Hookup" program]

[Text] The Zhejiang provincial party committee and the provincial people's government have decided to send more than 1,000 cadres selected from various provincial departments to rural areas, townships, and towns, as well as industrial and mining districts, to help the authorities there educate the masses on basic party lines.

At a mobilization meeting this morning [18 November], the provincial party committee and the provincial people's government called on comrades in various job groups to maintain close ties with the masses and to educate the peasants in connection with the problems they find most pressing so that their ideological problems can be resolved and all rural projects can proceed.

Speaking at today's mobilization meeting, Governor Shen Zulun said: Zhejiang's reform has been fairly successful in recent years. However, because of insufficiencies both in our work and our understanding, certain one-sided views have cropped up among the peasants. This is quite natural. In view of this ideological state in the rural areas, the provincial party committee and the provincial people's government have decided to launch a comprehensive educational program on basic lines in Zhejiang's rural areas this winter and next spring. The experiments conducted in certain units recently show

that the peasants have potentially great socialist enthusiasm, and that they are very interested in socialist education and will readily accept it. This has reaffirmed our confidence. No matter how formidable the problems may be, we must make sure that the upcoming education on basic lines is successfully carried out in the rural areas.

Xu Xingguan, member of the Zhejiang provincial party committee Standing Committee and vice governor of Zhejiang, also addressed the meeting. He urged the comrades of the job groups to carry their own bedding to the rural areas, and to eat, live, and work with the peasants.

He said: You should humbly learn from the masses, learn from doing actual work, and make an effort to learn what is really on the minds of the peasants. At the same time, you should trust the masses, rely on them, and organize and mobilize them to deal with the practical problems in the rural areas.

Central-South Region

Guangdong CPC Committee Meeting Ends 30 Nov

HK0612011089 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 30 Nov 89

[Text] The third meeting of the Sixth Guangdong Provincial CPC Committee, which lasted 5 days, ended this morning [30 November]. Ye Xuanping, deputy secretary of the provincial party committee and provincial governor, and Xie Fei, deputy secretary of the provincial party committee, spoke at the opening ceremony.

The participants conscientiously studied the documents of the 5th Plenary Session of the 13th CPC Central Committee and expressed their resolute support for the decisions adopted by the central authorities. At the closing ceremony, some resolutions were adopted in principle, including a provincial resolution for implementing the CPC Central Committee's decision on further carrying out rectification and improvement and deepening reform, and a resolution of the Guangdong Provincial CPC Committee on strengthening party building. Secretary of the provincial party committee Lin Ruo spoke at the meeting. Members of the provincial Advisory Committee, provincial Discipline Inspection Committee, and some party-member responsible comrades of the provincial People's Congress Standing Committee and the provincial committee of the Chinese People's Political Consultative Conference attended the meeting as nonvoting delegates.

The meeting held that party organizations at all levels must conscientiously implement the two documents adopted by the meeting to ensure the implementation of the spirit of the 5th Plenary Session of the 13th CPC Central Committee. Thus, it is necessary to do a good job in the following fields:

First, it is necessary to unify the thinking of the whole party on the basis of the spirit of the 5th Plenary Session of the 13th CPC Central Committee so that the decisions can be carried out more conscientiously. The party organizations at all levels must conscientiously study, understand, and implement the decisions of the central authorities and gain a correct understanding of the current situation. While fully affirming our achievements, we must also face up to difficulties and be confident of overcoming difficulties. We must always take the interests of the whole into account and correctly handle the relationships between rectification and improvement on one side and overcoming difficulties and deepening reforms on the other, and between the part and the whole.

Second, it is necessary to adhere to the spirit of seeking truth from facts while implementing the decisions of the 5th Plenary Session of the 13th CPC Central Committee and integrate the study and implementation with Guangdong's realities. It is necessary to continue to implement the policy on the long-term, continuous, steady, and harmonious development of the national economy. At the same time, it is necessary to develop Guangdong's production capability to the greatest extent. It is necessary to ensure the continuity and stability of various policies on reform and opening up. For example, the systems and policies that have already been adopted in rural areas should remain unchanged, such as the system of contracted responsibilities on a household basis with payment linked to output, the system of two-level management, the system of grain purchase on a contract basis, the policy for encouraging the development of new agricultural projects, the system of contracted responsibilities in enterprises, the system of the plant director assuming full responsibility, the enterprise law, the policy on development of diverse economic sectors with public ownership as the main body, the policies toward individual and private economies, the contract system in foreign trade, the system linking wages to economic returns, and the policy on developing township and town enterprises. It is necessary to continue to push forward Guangdong's comprehensive reform [words indistinct].

Third, it is necessary to firmly grasp some major problems in rectification and improvement and adopt effective measures suitable for the whole society to reduce the excessive social demands. It is necessary to strictly control the increase of the total consumption funds and keep it under the increase of national income and labor productivity in the same period. It is necessary to vigorously promote the readjustment of the industrial structure, product mix, investment setup, and credit structure according to the demand of the industrial policy, further screen and rectify companies and the market order, and improve the disorder in the circulation sphere. It is necessary to support township and town enterprises so that they can continue to develop healthily. It is necessary to correct our guiding ideology and take a path of seeking intensive development. Party

organizations at all levels must concentrate their strength on and adopt effective measures to promote agricultural production.

Fourth, it is necessary to pay attention to solving the new problems which have emerged during rectification and improvement. Guangdong is adjacent to Hong Kong and Macao and is the home town of many Overseas Chinese. We must continue to give play to this superiority in developing the export-oriented economy. We must also rely on our own efforts to solve our financial difficulties, do everything possible to enliven the market, and vigorously promote the sale of overstocked products through various channels.

Fifth, it is necessary to strengthen the party ideologically, and organizationally and improve its work style. The party organizations and party members at all levels must conscientiously implement the resolution on strengthening party building adopted by the meeting in principle and must firmly grasp the education in adhering to the four cardinal principles and opposing bourgeois liberalization. It is necessary to do a good job in consolidating the party organizations at all levels, especially at the grass-root level. It is necessary to take the investigation of cadres who have taken advantage of their power to seek private gains and build private houses as a breach and carry out the struggle against corruption through to the end.

Sixth, it is necessary to effectively strengthen party leadership so that the tasks of rectification and improvement and deepening reform can be successfully fulfilled. At present, it is particularly necessary to stress centralism and unity of the party and strengthen the system of democratic centralism and party discipline. It is necessary to resolutely oppose decentralism and selfish departmentalism. It is necessary to carry out painstaking ideological and political work so that a bridge of understanding can be built between the people and the party and government. It is necessary to carry out a province-wide education on the current situation and on stability and unity, continue to carry out the struggle against pornography, and eliminate all kinds of disgusting phenomena in society. All party members and cadres must work together with one heart and mobilize all positive factors to fulfill the tasks put forth by the 5th Plenary Session of the 13th CPC Central Committee.

Guangdong's Lin Ruo Comments on Economic Problems
HK2911093989 Beijing ZHONGGUO XINWEN SHE
in Chinese 0345 GMT 21 Nov 89

["Lin Ruo Says Guangdong Has the Ability To Overcome Its Current Economic Difficulties"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 21 Nov (ZHONGGUO XINWEN SHE)—Lin Ruo, secretary of the Guangdong Provincial CPC Committee, has admitted that the province's economy is facing many new problems in the course of improving the economic environment and rectifying the

economic order, and that there is still a difficult period ahead. In the meantime he also pointed out that the difficulties are temporary, and that Guangdong has the ability to overcome them.

Lin Ruo expressed these views while attending a return banquet hosted by the Third Plenary Meeting of the Macao Basic Law Drafting Committee last night. Through a year of improvement and rectification, Guangdong's economic overheating has dropped, inflation has been put under control, and commodity prices have remained stable in the latter half of this year, he said. But many problems have cropped up in the course of economic improvement and rectification, such as products being overstocked, markets being weak, and control over the money market being too tight.

Over the last 40 years Guangdong's economy has experienced a tortuous course of development, rectification, redevelopment, and rectification again, Lin Ruo pointed out. But the current economic improvement and rectification are proceeding with a different background from that in the past. Over the last 10 years the province has taken a big step forward in economic development, its social wealth has increased, its productive forces have developed, and the people's standard of living has unprecedentedly improved. All this has provided the possibility for the province to overcome its difficulties. On the other hand, the central authorities have time and again stressed the importance of maintaining the stability and continuity of the policy of reform and opening up to the world, although there are still misgivings in the people's minds. The policy on Guangdong's special economic zones, the policy on coastal open cities, and the policy on the regions carrying out comprehensive experiments in reform and opening up will remain unchanged. This is where Guangdong's hope lies.

In the course of adjusting its industrial structure, the province will continue to develop its export-oriented economy as well as joint ventures, wholly owned enterprises, and foreign-invested enterprises. Lin Ruo expressed the hope of continuing mutual support and cooperation between the province and Hong Kong and Macao. This is a bright road for Guangdong to extricate itself from the current predicament.

PLA-Civilian Clash Reported in Guangxi

HK0612035689 Hong Kong MING PAO in Chinese
6 Dec 89 p 8

[Special report: "Army-Civilian Clash Took Place in Humen Town, Guangxi Zhuang Autonomous Region"]

[Text] Beihai, Guangxi—A well-informed source has recently disclosed that a large-scale Navy-civilian clash took place in Humen Town, which is situated on the outskirts of Beihai City, Guangxi Zhuang Autonomous Region, in mid-November. The incident left 36 PLA sailors of the PLA Navy's South China Sea Fleet wounded, among whom 12 were seriously wounded. In

the incident, the local peasants also burned and destroyed five military vehicles.

It has been learned that such a large-scale Navy-civilian clash, which is rare in China, has drawn the immediate attention of the CPC Central Military Commission. Soon after the incident took place, the CPC Central Military Commission and the Ministry of Public Security sent special teams to Humen Town to carry out investigations concerning the incident. So far, some peasants who instigated the incident and beat the PLA sailors, have been arrested.

It has also been learned that although the CPC authorities are currently trying to launch the so called campaign of "supporting the Army and cherishing the people" and "supporting the government and cherishing the people," Army-people relations are unlikely to return to their original level. Moreover, there has been growing resentment against the military among the ordinary people since the "4 June" incident.

The Navy-civilian clash in Humen Town, Beihai City, took place between 15 November and 20 November. The South China Sea Fleet of the PLA Navy has a division-level military base in Humen Town. Since the military base occupies a vast area of local land, the local people have always been resentful, but have been forced to keep their resentment to themselves.

On 15 November, a sailor from the military base knocked down a pregnant peasant woman while riding a bicycle. After knocking down the woman, he immediately carried her to a local hospital for treatment. However, after her arrival, the woman's husband, not knowing the real truth, seized the sailor and beat him. The sailor struck back. As a result, the husband rushed back to Humen Town and mobilized over 1,000 local peasants to go to the military base. Because the troops had been ordered not to strike back, all the wounded in the incident were sailors. It was learned that some villagers even brutally tortured some men by using bamboo slips to cut through their lips.

According to sources close to the military, the Navy-civilian clash in Humen Town was a well-organized and well-planned incident. A lot of local cadres at district and township levels got involved in the incident and even personally inflamed and agitated the local people. Because a lot of sailors were wounded, they are now very angry and are strongly demanding a fair judicial settlement. Nevertheless, in order to prevent the contradiction from further intensifying, the authorities concerned are now considering transferring the troops concerned to another place.

Ironically, the military base and Humen Town had just been elected as an "Advanced Unit Jointly Built by the Army and the People" by the Guangxi Zhuang Autonomous Region shortly before the incident took place, and had been scheduled to participate in a conference to be held in Nanning City this month. Moreover, originally, the Guangxi Zhuang Autonomous Region had also

planned to nominate the military base and Humen Town as a national-level "Advanced Unit Jointly Built by the Army and the People."

Guangxi Party Plenum Communique Outlined *HK3011081189 Nanning Guangxi Regional Service in Mandarin 1100 GMT 25 Nov 89*

[Excerpts] The following is the text of the communique from the Seventh Plenary Session of the Fifth CPC Guangxi Zhuang Autonomous Regional Committee:

The Seventh Plenary Session of the Fifth CPC Guangxi Zhuang Regional Committee was held in Nanning from 20 to 25 November 1989.

The main items on the agenda were to listen to and study the spirit of the 5th Plenary Session of the 13th CPC Central Committee, discuss measures to implement the spirit in line with actual conditions in Guangxi, mobilize party members, cadres, and the people of all nationalities to establish confidence, brace themselves, and work with one idea and one will to push forward the task of further economic improvement and rectification and in-depth reform and to strive for sustained, stable, and coordinated economic development. [passage omitted]

The plenary session pledged unanimous support for the the CPC Central Committee's decision adopted at the 5th Plenary Session of the 13th CPC Central Committee. It maintained that the decision made a comprehensive and scientific analysis of the current economic situation in China and that it: Fully affirmed the party's line, principles, and policies formulated since the 3d Plenary Session of the 11 CPC Central Committee and the great successes our country has scored in economic construction, reform, opening up, and other undertakings; profoundly summed up economic experiences; made a realistic estimation and analysis of difficulties in current economic work and the favorable conditions for overcoming these difficulties; and put forward principles, objectives, and measures for further economic improvement, rectification, and in-depth reform. The decision was a programmatic document for better fulfilling the task of improving the economic environment, straightening out the economic order, and deepening the reform. We must resolutely implement it.

The plenum fully subscribed to the decision adopted at the 5th Plenary Session of the 13th CPC Central Committee on endorsing Comrade Deng Xiaoping's resignation from the chairmanship of the CPC Central Committee Military Commission and to the high evaluation made at the 5th Plenary Session of Comrade Deng Xiaoping's outstanding service to China's revolution and construction. [passage omitted]

The plenum pledged unanimous support for the decision adopted at the 5th Plenary Session of the 13th CPC Central Committee that Comrade Jiang Zemin be chairman of the CPC Central Committee Military Commission, Comrade Yang Shangkun first vice chairman of

the Military Commission, Comrade Liu Huaqing vice chairman of the Military Commission, and Comrade Yang Baibing secretary-general of the Military Commission, and that Comrade Yang Baibing be made a member of the CPC Central Committee Secretariat. [passage omitted]

It pointed out: In the 10 years since the 3d Plenary Session of the 11th CPC Central Committee, our region has earnestly implemented the party's line, principles, and policies designed for the new historical period, persisted in the one central task and two basic points policy, kept up a steady increase in its economy, significantly improved its people's living standards, and achieved marked successes in all fields of its work, thus greatly changing the face of Guangxi. Over the past year our region has worked hard to improve its economic environment and straightened out its economic order in accordance with the party Central Committee's instructions and scored initial results in this area. This year our region has reaped bumper harvests in agricultural production, grain production especially increased by a big margin, investment in fixed assets has been brought under control, price increases have become less sharp, fairly good results have been achieved in industrial production and financial and monetary affairs, and the economy as a whole has continuously developed. We must fully affirm these achievements and, at the same time, make a sober estimate of many problems and difficulties in our region's economy. As far as the nature of our present difficulties are concerned, they are difficulties in the course of advance and temporary. Conditions are entirely present for overcoming them.

In accordance with the party Central Committee decision to basically fulfill the task of improving the economic environment and straightening out the economic order in 3 years or more, including this year, the session decided on the major targets for the region's economic improvement and rectification. That is to vigorously develop agriculture, ensure a steady increase in grain production, promote an overall development in agriculture, forestry, sideline production, and fishery, attain the target of over 325 kg per capita grain yield, and bring peasants an increased income. Also to strive for an average annual GNP growth rate of 5 to 6 percent, an annual industrial production growth rate of 6 to 7 percent, and about 4 percent annual growth in agricultural production while continuously improving economic results and maintaining an appropriate economic growth rate. Other goals are to strengthen the energy and other basic industries, make vigorous efforts to save on energy to ease the strain between supply by demand, work hard to increase revenue and reduce expenditure striving for balanced revenue and expenditure, intensify control over market prices to gradually bring down the regional rate of retail price rises below 10 percent, tighten control over population growth to bring the rate under 12 per 1,000, and further deepen and improve various reform measures and gradually establish, through economic improvement and rectification, a macroeconomic control system which

is in line with the principle of combining the planned economy with market regulation and which comprehensively employs economic, administrative, and legal means to attain a sustained, stable, and coordinated economic development.

The plenary session pointed out: While implementing the central decision on further economic improvement, rectification, and in-depth reform, it is necessary to firmly grasp four links:

1. Continued efforts should be made to cut the total social demand to resolve the problem of earmarking an excessive proportion of the national income for consumption.
2. Vigorous efforts should be made to readjust the industrial structure, increase the effective supply, and strengthen the staying power of economic development.
3. Effective steps should be taken to straighten out the economic order.
4. The campaign of increasing production and practicing economy and of increasing revenue and cutting expenditure should be deepened to effectively improve economic results and, at the same time, priority should be given to the development of education and science and technology. Attention must be paid to rational use of natural resources to protect ecological environment.

It emphatically pointed out: The reform of China's economic structure is a self-perfection of the socialist economic system. It is imperative to correctly understand and handle the relationship between economic rectification and deepening of reforms. Economic improvement and rectification will create a still better environment and conditions for healthy and in-depth reform but attainment of the goal of economic rectification also needs the support of the reforms. In carrying out reform we must stick to the orientation of socialism and gradually establish an operational mechanism combining the planned economy with market regulation. While improving the economic environment and rectifying the economic order, reforms must be carried out around economic rectification with the focus on perfecting the existing reform measures to guarantee the stability and continuity of the party's policies. At present, continued efforts must be made to deepen the rural reform by stabilizing and perfecting the system of contracted household responsibility with remuneration linked to output and perfecting the two-tier system combining centralized management with individual household operation, to develop the rural collective economy and strengthen rural grass-roots units. Meanwhile, priority must be given to in-depth reform and perfection of the enterprise contracted production responsibility system, financial contracted system, monetary system, and foreign trade contracted system. It is also imperative to continue to persist in the policy of opening up to the outside world, make good use of the favorable conditions of acting as a window and base for opening up to the outside world through the region's

coastal areas, boldly absorb foreign investment, and import advanced technology while effectively expanding foreign trade and economic and technical exchanges with foreign countries. [passage omitted]

The plenary session called for adequate attention to the building of socialist civilization while vigorously developing material civilization to raise the quality of the people of all nationalities in our region and cultivate a new generation of people with lofty ideals, moral integrity, education, and a sense of discipline. [passage omitted]

Qin Yingji, a member of the CPC Central Committee Advisory Commission, attended the meeting. Regional party committee Secretary Chen Huiguang delivered an important speech at the closing session of the plenum.

The plenum urged that party members and the people of all nationalities unite as one under the party Central Committee, with Comrade Jiang Zemin as the nucleus, persist in taking economic construction as the central task, uphold the four cardinal principles, persistently follow the reform and opening up policy, carry forward the traditions of self-reliance and hard work to overcome the difficulties in the course of advance and to fulfill the task of improving the economic environment, straightening out the economic order, and deepening the reform, to develop the region's economy in a sustained, stable, and coordinated way and to strive for still greater victories in the socialist modernization drive.

Xu Shijie Attends Hainan Provincial Meeting

HK0612035189 Haikou Hainan Provincial Service in Mandarin 2300 GMT 30 Nov 89

[Excerpt] The Eighth Meeting of the Standing Committee of Hainan Provincial Conference of People's Representatives, which lasted 5 and 1/2 days, ended yesterday [30 November] morning in the first meeting room of the provincial party committee. Present at yesterday's meeting were 27 members of the Standing Committee of the provincial conference of people's representatives, including Xu Shijie, chairman of the Standing Committee and secretary of the provincial party committee, and Vice Chairmen Pan Qiongxiang, Cao Wenhua, Zheng Zhang, Lin Ying, Huang Zongdao, and Wu Kuiguang. Provincial Governor Liu Jianfeng and Ding Guo, provincial higher people's court president, attended the meeting as nonvoting delegates. [passage omitted]

Hainan CPC Committee Meeting Held 22 Nov

HK2911030189 Haikou Hainan Provincial Service in Mandarin 2300 GMT 23 Nov 89

[Excerpts] Yesterday [22 November] the provincial party committee held an enlarged Standing Committee meeting to study and make arrangements for public order in Hainan. Leading comrades Xu Shijie, Liu

Jianfeng, Wei Zefang, and Xin Yejiang delivered important speeches at the enlarged meeting. The director of the Hainan provincial Public Security Department and the party committee secretaries of Haikou City, Sanya City, Danxian County, Qionghai County, Wanning County, and Dongfang County made reports during the meeting.

Participants in the enlarged meeting agreed that the social order situation has substantially improved in Hainan since the founding of the province due to concerted efforts by party, government, and Army organs, and the public throughout the province, under the unified leadership of the provincial party committee. This is especially due to efforts by the Public Security Department which organized a series of special drives against all kinds of criminal offenses. However, not all areas have been doing equally well. The crime rate has risen and the social order situation has further deteriorated in some places. On the whole, the social order situation remains quite serious.

The meeting demanded that governments and party organizations at all levels pay close attention to this issue and earnestly strengthen leadership over social order work. [passage omitted]

Also present at the enlarged meeting were provincial party committee Standing Committee members and Vice Governor Wang Yuefeng; provincial party committee Standing Committee member Li Zhimin; Vice Chairman of the Provincial Conference of People's Representatives Pan Qiongxiang; principal leading comrades from the No 11 Detachment of the Southern Naval Unit under the Hainan Military District; principal leading comrades from the provincial higher people's court, people's Procuratorate, departments and bureaus concerned directly under the provincial authorities, and the provincial Armed Police Force; and secretaries of party committees and mayors and magistrates from various cities and counties.

Hainan Secretary Says Reform Policies Unchanged

HK2911100189 Haikou Hainan Provincial Service in Mandarin 2300 GMT 28 Nov 89

[Text] HAINAN RIBAO today [28 November] publishes in a prominent position on the front page a commentator's article entitled "Adhere to Eight No-Changes, Use the Special Policies Well."

The article says: At the Hainan provincial CPC Committee Work Conference that has just concluded, provincial party committee Secretary Xu Shijie clearly and definitely proposed—respecting the policies about which all people now have the most doubts and misgivings and with which they are most concerned—that Hainan would adhere to eight no-changes in reform and opening up: 1) The policy of reform and opening up remains unchanged. 2) The policy of running the large special zone and setting up the development zone remains unchanged. 3) The principle of developing many economic sectors remains unchanged. 4)

The pattern of the system of enterprise contracted responsibility remains unchanged. 5) The system of contracted responsibility on the household basis with remuneration linked to output remains unchanged. 6) The policy of allowing some people to get rich first remains unchanged. 7) The policy of encouraging the township and town enterprises to develop healthily remains unchanged. 8) The policy of the procurement of agricultural and sideline products remains unchanged. These eight no-changes accurately and completely summarize the contents of the preferential policies worked out for Hainan by the central authorities.

The HAINAN RIBAO commentator's article says: The eight no-changes have been put forward on the basis of the central authorities' general principle of adhering to the four cardinal principles and implementing the policy of reform and opening up even better and in the light of the Hainan Special Economic Zone's actual situation in reform and opening up over the past 1 year and more.

At present, the eight no-changes are of extremely important significance to freeing some people from doubts and misgivings about and misunderstanding of the policies toward Hainan. We must therefore disseminate, effect, and adhere to the eight no-changes and show with our practical work and specific actions that the preferential policies worked out for us by the central authorities remain unchanged.

No correct policies can produce economic results and social benefit by themselves. They can only demonstrate their great strength when they are correctly understood and thoroughly implemented by the people in the course of practice. It is extremely necessary to restudy and republicize and to penetratingly understand documents Nos 24 and 26 concerning the preferential policies worked out for Hainan by the central authorities. Leading cadres at all levels must especially take the lead in studying and understanding the spirit and essence of these two documents and, in conjunction with the study and implementation of the spirit of the Fifth Plenary Session of the CPC Central Committee, work hard in the aspect of studying well and using well and sufficiently the preferential policies. It is imperative to improve the work style, to enhance efficiency, to really implement the preferential policies given by the central authorities, and to use the great strength of the preferential policies to push forward the wheel of the large special zone's reform and opening up.

Hubei CPC Secretary Meets With Democrats

HK2911052589 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 27 Nov 89

[Excerpts] Yesterday [26 November] afternoon, at a forum of nonparty personages held by the provincial party committee, Secretary Guan Guangfu and Deputy Secretaries Guo Zhenqian, Zhao Fulin, and Qian Yunlu, held a discussion meeting on implementing the spirit of the Fifth Plenary Session of the CPC Central Committee and the fourth enlarged plenary session of the fifth

provincial party committee, with the responsible persons from all democratic parties and organizations in our province. The discussion meeting was presided over by Zhao Fulin.

The comrades present at the meeting unanimously declared that they would resolutely support all decisions by the 5th Plenary Session of the 13th CPC Central Committee, expressed admiration for Comrade Deng Xiaoping's retirement from a leadership post while still in good health, and would support all measures for improvement, rectification, and deepening reform put forward by the fourth enlarged plenary session of the fifth provincial party committee. At the discussion meeting, in light of the provincial conditions and realities, the responsible persons from all democratic parties and organizations put forward many good views and suggestions. [passage omitted]

In conclusion, provincial party committee Secretary Guan Guangfu spoke, saying: All your views and suggestions are to the point and we are greatly enlightened after listening to them. There are three issues on implementing the policy of improvement, rectification, and deepening reform in our province which warrant attention:

1. The central authorities' tasks of improvement, rectification, and deepening reform must be accomplished to the letter. Through improvement and rectification we must really push our province's economy onto the track of long-term, unremitting, steady, and coordinated development.
2. On the basis of improvement, rectification, and deepening reform, it is necessary to stabilize the economy, including prices. To stabilize the economy, we must not follow the old pattern but must, through adjustment of the economic structure, acquire better economic results.
3. In the course of improvement, rectification, and stabilization of the economy, our party must strengthen leadership on the one hand and stand tests in the course of struggle on the other.

Guan Guangfu said: In the course of improvement and rectification we must pay attention to adjusting three orders:

1. It is essential to carry on adjustment of the national economy in the order of agriculture, light industry, and heavy industry.
2. It is imperative to make arrangements for investment in the order of production, technological transformation, and capital construction, and to place emphasis on production to ensure effective supply.
3. In industrial production, it is necessary to adjust the previous order of production, supplies, and marketing to that of marketing, production, and supplies, and to lay stress on promoting production with marketing and fixing quotas for production with marketing.

Guan Guangfu said: Improvement, rectification, and deepening reform is a huge project. Improvement and rectification must be integrated with deepening the reform; whereas, the deepening of reform must serve improvement and rectification even better. Improvement and rectification must be carried out in coordination with the deepening of reform. Together with all democratic parties, the Communist Party must mobilize the forces of various circles, all places, and all quarters, to accomplish the tasks of improvement, rectification, and deepening reform. On this point our hearts are linked to the hearts of the democratic parties.

He said: Our provincial party committee must strengthen its cooperation with the democratic parties, pay attention to giving play to the role of the parties, constantly listen to all your views and suggestions, unrelentingly solve problems, and continuously draw support from all of you to do a good job in grasping the building of two civilizations in Hubei. We must deal with concrete matters relating to work. Party organizations at all levels must support the work of the parties so that they can give play to their role in their own posts. It is necessary to adhere to the system of a bimonthly forum of the provincial party committee and democratic parties and to deal with and respond to the views and questions put forward by them. All important policy decisions of the central authorities and the implementation of the spirit of their important policy decisions by the provincial party committee must be promptly reported to the democratic parties so that the democratic parties can participate in making the policies in respect of important provincial matters. Regarding some questions you have put forward, we can make explorations under special subjects.

This discussion meeting with responsible persons from the democratic parties and organizations began 24 November. Others attending the meeting were responsible persons from the provincial Taiwan Democratic Self-Government League, provincial Federation of Industry and Commerce, provincial Federation of Taiwan Compatriots, provincial Huangpu Alumni Association, provincial Counselors' Office, Cultural Center, and patriotic personages from religious circles.

During the meeting provincial party committee Deputy Secretary Zhao Fulin made a report of the situation from the 5th Plenary Session of the 13th CPC Central Committee to those present. Mu Changsheng, director of the provincial party committee united front work department and vice chairman of the provincial Chinese People's Political Consultative Conference committee, and others also attended the meeting.

Hunan Party Plenary Session Concludes 25 Nov

HK0312122389 Changsha Hunan Provincial Service in Mandarin 2300 GMT 26 Nov 89

[Excerpts] The Enlarged Ninth Plenary Session of the Fifth Hunan Provincial CPC Committee ended in Changsha on 25 November, mainly listening to and

studying the essence of the 5th Plenary Session of the 13th CPC Central Committee and of the central work conference and discussing measures to implement the essence in line with the province's actual situation.

The enlarged plenary session started on 24 November. Prior to it, the provincial party committee held a work conference between 20 and 22 November.

At the enlarged plenary session, provincial party committee Secretary Xiong Qingquan conveyed the essence of the central work conference and the 5th Plenary Session of 13th CPC Central Committee. Provincial party committee Deputy Secretary Chen Bangzhu, also governor of the province, made a speech on how the provincial party committee would implement the party Central Committee's decision on further improving the economic environment and straightening out the economic order, and deepening the reform. All participants in the session earnestly studied and discussed the decision and some important speeches by Comrades Jiang Zemin and Li Peng. They unanimously pointed out that those documents were powerful ideological weapons for the whole party and pledged their resolute support for and implementation of all tasks set by the fifth plenary session.

It pointed out: Over the past 10 years the province has resolutely carried out the line, principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, as well as the party's policies on economic construction, reform, and opening up. Meanwhile, the drive to improve the economic environment and straighten out the economic order, which started in the 4th quarter of 1988, has yielded initial results. They can be mainly seen from the following aspects. Investment in fixed assets and the consumption craze have been brought under control, price increases have gradually become less sharp, surplus paper money has been gradually withdrawn, the economic order has started improving, and bumper harvests have been reaped in an overall way. However, we should also realize that the province's economy is faced with some difficulties and problems in the course of its development. Leading cadres at different levels should be fully aware of the gravity of the difficulties and intensify their consciousness and steadfastness in improving the economic environment and straightening out the economic order, and work with one heart and one mind and brace themselves up under the leadership of the party Central Committee and under the guidance of the spirit of the 5th Plenary Session of the 13th CPC Central Committee to strive for new victories in the tasks of carrying out economic improvement, in-depth reform, and socialist construction.

Before the closing ceremony, provincial party committee Secretary Xiong Qingquan delivered an important speech, calling on party organizations at different levels to give priority to studying, publicizing, and implementing the spirit of the enlarged plenary session and to unifying the thinking of cadres and the masses in their current work, help cadres and the masses to make a

correct analysis of the present economic situation, and inspire them to overcome difficulties. While reaching a common understanding of the situation, we must first seek unity of thinking on the relationship between economic improvement and in-depth reform. He emphasized: Thinking of economic improvement and rectification as conflicting with in-depth reform and separating them from each other are wrong. We must earnestly protect the initiative in reform and opening up while carrying out economic improvement and rectification, and make efforts to maintain the continuity and stability of the reform and opening up policy. Efforts must be made to stabilize those pilot areas for opening up and exploitation in Xiangtan, Changsha, Huaihua and [words indistinct] and perfect policies designated for those areas. Speaking on firmly embracing the guiding ideology of promoting economic development in a sustained, stable, and coordinated way for a long time to come, Xiong Qingquan pointed out that what is most important is to correctly handle the proportion between industry and agriculture, intensify the idea of taking agriculture as the foundation of the national economy, and ensure a sustained and stable development of agriculture. To stabilize and expand agriculture, we must, first of all, keep policies stable, rely on science and technology and increase investment.

In saying keeping policies stable, we mainly mean there should be no change in seven aspects: No change in the policy of developing varied sectors of the economy while ensuring the dominant position of the public sector, no change in various forms of contract responsibility systems based on the contract system of household responsibility linked to production, no change in the policy of applying different forms of distribution while ensuring the dominant position of distribution according to work, no change in the policy of encouraging some people to attain prosperity before others through honest labor and lawful business while achieving the goal of common prosperity, no change in the policy of encouraging and supporting the development of township and town enterprises and of household sideline occupation, no change in the policy of procurement of farm products, and no change in the policy of readjusting and optimizing the rural production structure. In order to ensure a sustained and steady development of agricultural production, the provincial party committee decided to launch a socialist ideological education in a rather systematic way in the rural areas. [passage omitted] Xiong Qingquan also noted that at present the instances of high energy consumption but low efficiency, high input but low output, an high rate of consumption resulting in low results are very common, and phenomena of extravagance and waste are very serious in the realms of production, construction and circulation. We must improve economic returns with firm determination. [passage omitted]

Southwest Region

Guizhou People's Congress Meeting Ends 24 Nov

HK2911014589 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 25 Nov 89

[Excerpts] The 10th meeting of the 7th provincial People's Congress Standing Committee concluded following its last plenary session yesterday [24 November] afternoon. [passage omitted]

Tu Guangshi, vice chairman of the seventh provincial People's Congress Standing Committee sent in his resignation to the meeting on the grounds of being transferred to another post. After deliberation, the meeting adopted the decision to accept the resignation tendered by Vice Chairman Tu Guangshi and will report to the third session of the seventh provincial People's Congress. The meeting passed some appointments and removals by secret ballots, deciding to relieve (Xu Yinian) of his post of director of the Guizhou Provincial Economic Committee and to appoint (Wang Shufeng) as director of the Guizhou Provincial Economic Committee, (Qing Shaode) as director of the Guizhou Provincial Forestry Department. [passage omitted]

Yunnan Secretary Urges Improving Economy

HK0512060389 Kunmin Yunnan Provincial Service
in Mandarin 1100 GMT 28 Nov 89

[Excerpts] Yesterday [27 November] afternoon Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, attended the Eighth Standing Committee meeting of the Sixth Yunnan Provincial Committee of the Chinese People's Political Consultative Conference. He made a report on seriously implementing the spirit of the 5th Plenary Session of the 13th CPC Central Committee in light of Yunnan's actual conditions.

Pu Chaozhu said: The conscientious implementation of the spirit of the 5th Plenary Session of the 13th CPC Central Committee in light of Yunnan's actual conditions will promote the sustained, stable, and coordinated development of the province's economy. The achievements in the 10 years of reform are obvious for everyone to see. In the 10 years of reform, production has developed quickly, economic strength has increased rapidly, and the people have greatly benefited. While affirming our achievements, we should also be aware of the serious difficulties in our economic life at present. Without making a full appraisal of these difficulties or the necessity to carry out economic improvement and rectification, we will not be able to extricate ourselves from the present economic predicament.

Pu Chaozhu said: Yunnan is a province rich in resources but has a poor economy, and it needs to be developed. [passage omitted] It will take us 5 or 6 years or even longer to build a solid agricultural foundation as well as communications and energy facilities through hard struggle, working with one heart and one soul, and leading a thrifty life. At the same time we should improve laborers' quality and train talented personnel by developing education, science, and technology. [passage omitted] Funds derived from retrenchment in other fields should be used to support the province's industrial adjustment, the construction of irrigation projects, the construction of chemical fertilizer factories, the construction of communications and transportation facilities, the construction of energy bases, and the construction of educational, scientific, and technological projects. This is the basic industrial policy and economic

development strategy for the province to pursue during economic improvement and rectification and for a longer period to come. [passage omitted]

Pu Chaozhu emphatically pointed out: Yunnan's agriculture is particularly weak, and it relies on grain transfer from other provinces. Strengthening agricultural work involves arduous efforts. Deepening rural reform should be targeted at setting up and improving the service system for socialized production, and good services should be provided before, in the course of, and after production. There is a need to establish a four-service system involving management over socialized production facilities and public property, the popularization of science and technology in the rural areas, the supply of agricultural production materials, and dredging the purchase and marketing channels for agricultural products. It is also necessary to bring the peasants' initiative into play, to unify our understanding and action, to have an explicit idea of our targets and tasks, and to mobilize the entire party and people in running agriculture.

In his report, Pu Chaozhu also mentioned strengthening enterprise management in the industrial field, improving economic results by advanced technology, maintaining a certain growth rate, giving play to political strong points, and guaranteeing the smooth carrying out of economic improvement and rectification. [passage omitted]

North Region

Beijing's Li Ximing Speaks at Plenary Session

SK2911045289 Beijing BEIJING RIBAO in Chinese
15 Oct 89 p 1

[Text] In his report to the seventh (enlarged) plenary session of the sixth municipal party committee, Li Ximing, secretary of the municipal party committee, pointed out that the strength of the party comes from its close ties with, its trust in, and its reliance on the masses, and that as long as our party maintains the flesh-and-blood ties with the masses, it will be able to withstand any test of stormy waves.

Li Ximing said: Weakened party building and ideological and political work, and impure ideology and work styles within the party caused many problems to arise in the past few years, and undermined the fish-and-water relations between the party and the masses which was established during prolonged revolutionary struggles. The masses were very dissatisfied with the corrupt phenomena within the party and in society, and the common unfair distributions, and had many complaints about the party. It was precisely such dissatisfaction of the masses that persons who stubbornly stuck to the stand of bourgeois liberalization made use of to exaggerate and carry out investigation, thus creating the turmoil and the counterrevolutionary rebellion.

Li Ximing pointed out that we should learn from this lesson, and be determined to change our work styles. He

stressed that we should strive to restore and develop the flesh-and-blood ties between the party and the masses through three ways.

We should carry forward the party's workstyle of plain living and hard struggle in order to restore and develop the flesh-and-blood ties between the party and the masses. No matter how high their positions, party members are a part and public servants of the masses, and should share weal and woe with the masses. Some comrades hold that the workstyle of plain living and hard struggle was a product in the years of wars, which needs not be advocated at present when we are developing the planned commodity economy, and that as long as we know how to earn and spend money, modernization can be accomplished in ease and comfort despite consumption in excess and in advance. Such an idea is extremely wrong. In such a big country as ours with a large population, backward economy, and culture and very unbalanced development, the goal of socialist modernization can never be attained without protracted plain living and hard struggle. Leading cadres should share weal and woe with the masses, and act as an example in plain living and hard struggle. It is impossible and also wrong that the material benefits of leading cadres differ greatly from those of the masses. Leading cadres at various levels should not put forward excessive demands on their individual living conditions, still less, abuse their authority to enjoy the fruits of the labor of the masses and seek pleasure for their personal life.

We should unfailingly overcome the corrupt phenomena within the party in order to restore and develop the flesh-and-blood ties between the party and the masses. The current endeavor to overcome corrupt phenomena requires realistic action. Starting with Standing Committee members and vice mayors, we should take the lead in straightening out the common practice within the party, and see to it that official duties are performed in a conscientious, diligent, and honest manner, and no selfish gains are sought. Leading cadres of districts, counties, bureaus, and general companies as well as neighborhoods, towns, and townships should also abide strictly by discipline, and set strict demands on themselves. From now on, please report and expose any refusals to carry out orders, prohibitions, regulations, and systems, and exercise mutual supervision. Party discipline and state laws will never permit any retaliation. Economic cases involving embezzlement, bribetaking, speculation, and profiteering should be investigated thoroughly, and handled strictly. Toleration which harms the people will never be permitted. Persons who connive with and shield criminals should be sternly punished according to law no matter who they are and how high their positions are. We should lay emphasis on honest performance of duties by party and government organs at various levels, and should also be determined to resolve the unhealthy trends of law-enforcement departments and public utilities units so as to establish a trend of honest performance of duties throughout the society.

We should resolutely overcome bureaucracy, and conscientiously implement the party's mass line of from the masses and to the masses in order to restore and develop the flesh-and-blood ties between the party and the masses. Leading cadres at various levels should be determined to extricate themselves from the mountains of documents and meetings, welcome and farewell activities, and routine affairs, and conduct investigations and study at grass-roots levels on a regular basis to understand the true situation. When going to grass-roots levels, leading cadres should not feel that hearing reports and superficial investigations alone are enough. Instead, they should truly go deep into the masses, and conduct direct dialogues with workers, peasants, and intellectuals through various measures to understand their demands, give heed to their opinions and suggestions, show concern for the life, and help resolve their difficulties. Cadres' participation in collective production and labor is an important measure for maintaining the close ties between the party and masses, and should be restored or established as soon as possible. Leading organs of the municipal party committee and government, and leading cadres at various levels should take the lead, formulate plans, and make arrangements for conscientiously carry it out on a long-term basis.

Hebei Holds Public Security Directors Meeting

SK2911042789 Shijiazhuang HEBEI RIBAO
in Chinese 8 Nov 89 p 1

[Text] "Public security organs are important tools for the people's democratic dictatorship, the words and deeds of public security cadres and policemen have a direct influence on the prestige of the party and government among the masses, and the honest performance of duty by public security organs has a particularly important significance. Greater achievements should be scored in honest performance of duties through education, systems, and supervision." This was what Lu Chuanzan, deputy secretary of the provincial party committee, emphasized at the recent provincial conference of directors of public security sections and bureaus.

To launch in-depth anticorruption struggles in the contingent of public security cadres and policemen, and to promote honest and diligent performance of duties among the contingent, the provincial Public Security Department held a conference of directors of prefectural, city, and county public security sections and bureaus in Shijiazhuang from 1 to 4 November. The participants discussed such problems as arbitrary collection of fees and impositions of fines on which the masses had many complaints, and decided to launch in-depth anticorruption struggles particularly among traffic policemen in order to promote honest and diligent performance of duties among the contingent of public security personnel. Four opinions were put forward at the conference on ways to promote the honest performance of duties by traffic policemen. First, it is necessary to fully understand the importance and urgency of the work to promote honest performance of duties by the contingent

of traffic policemen, and exert persistent efforts to conduct the education in honest performance of police duties. Second, it is necessary to act strictly according to law, resolutely investigate and handle the various law and discipline breaches, and resolutely check the unhealthy trend of arbitrary imposition of fines and collection of fees. Third, it is necessary to establish and perfect rules and regulations, and improve the mechanism of supervision. Fourth, starting with improvement of the political and professional qualities of traffic policemen, it is necessary to do a good job in performing duties and exercising control with civility.

Lu Chuanzan, deputy secretary of the provincial party committee, spoke at the conference. He urged public security organs throughout the province to have a firm determination to solve the problems on which the masses have many complaints in their endeavor to maintain honesty in performing duties. He said: "The current greatest complaints of the masses toward some public security organs are arbitrary collection of fees and imposition of fines. Although they involve only few localities and people, they create very bad influence, and damage the good reputation of the party and government and, therefore, should be corrected in all seriousness." He also pointed out that correction of arbitrary collection of fees and imposition of fines does not mean to oppose collection of reasonable fees according to policies and imposition of necessary fines according to regulations. What we oppose is "arbitrariness."

Lu Chuanzan said that public security organs should achieve greater results in honest performance of duties through education, systems, and supervision. He urged prefectural, city, and county party committees as well as organization and personnel departments to assist public security organs in making checks in an earnest and responsible manner on use of personnel. No leading cadre is permitted to sign any paper to give preferential treatment toward persons with whom he has connections, and place unqualified persons in public security organs.

Speaking on the tasks of public security organs, Lu Chuanzan pointed out: Public security problems cannot be solved effectively by relying on the efforts of public security, or procuratorial and judicial departments alone. When the public security situation of a locality is not good, local party committee and government should be the first to hold the responsibility. Based on local conditions and having the situation of the entire province in view, party committees and governments of various localities should intensify the study of their local public security problems, and work out ways to tackle them in a timely manner. All units and departments should conscientiously implement the principle that "whoever charged with the work should hold the responsibility," adopt practical measures to prevent crimes, strengthen the mechanism and enhance the capacity for crime prevention, and stem the loopholes that criminals may take advantage of.

Arrangements for the public security work for this winter and next spring were made at the conference. Public security departments at various levels were urged to launch in-depth activities to deal blows to, investigate, and eliminate ugly phenomena in society, such as prostitution and visits to prostitutes, production, sales, and spread of obscene goods, abduction and sales of women and children, secret planting, taking, sales, and transportation of

drugs, gathering people for gambling, and cheating people of their money and harming people through feudal and superstitious activities; to deal strict and prompt blows according to law to serious crimes and the sabotage activities of counterrevolutionaries; and to strengthen the mechanism for crime prevention in society, and rely and mobilize the masses to strengthen control of the situation of society.

Taiwan

Commentary on U.S. Pressure To Appreciate Currency

OW2811035689 Taipei International Service
in English 0200 GMT 26 Nov 89

[Station commentary "Central Bank Chief Rejects New Taiwan Dollar Appreciation"]

[Text] In response to a call from the United States to let the Taiwan dollar further appreciate 10 to 20 percent against the U.S. dollar, Samuel Hsieh Sen-chung, governor of the central bank here, issued a rare statement saying no more appreciation is necessary. He rejected the idea calling it unreasonable and an oversimplification.

Since fall 1985, the Taiwan dollar has appreciated nearly 45 percent against the greenback. The central bank permitted it to float from 40 Taiwan dollars to one to 26 dollars to one, the current level. That period of appreciation was brought on by U.S. pressure on Taipei to alleviate the huge trade surplus Taipei enjoyed with the United States.

In his statement to reporters, Hsieh said that the Republic of China on Taiwan had already made good progress on correcting its trade surplus with the United States. He noted that it fell some 10 percent this year alone. He also pointed out that the results of past appreciation have not yet come home to roost, and that patience was required for now.

The practice of appreciating a currency to achieve more balanced trade is new and untested. Proponents of appreciation argue that making the surplus side's products more expensive, and therefore less attractive to buyers, is a sure way to achieve more balanced trade. Opponents say, however, that there is no evidence of this and that if one side likes the products of the other, it will continue to buy them regardless of the price. Other factors are also important such as supply reliability and production quality. The opponents seem to take a more realistic view.

Although Taipei has appreciated its currency some 45 percent, the trade surplus has dropped only 10 percent. That fact should not defy explanation since American buyers continue to line up at Taiwan factories. They want reliability of supplies and high quality and are not yet ready to experiment with other cheaper supplier nations.

Hsieh also said that it was not reasonable for Washington to ask foreign governments to intervene in their financial markets to help prop up U.S. exports. That part of the equation must be performed by the United States herself, he said. Perhaps that is the greatest weakness of the appreciation racket. Instead of improving the competitiveness of its products, the United States would rather try to settle the issue on paper by raising the price of the other guy's products. This does an end-around on the real problem of product competitiveness.

For its part, the United States could be a major trader if it would just exert a little more effort. The facts speak for themselves. In the United States, less than 1 percent of companies are exporters. In Taiwan and Japan, to the contrary, more than 15 percent are involved in exports. Moreover, exports account for only 6 to 7 percent of the U.S. GNP. In Taiwan, the figure is more like 50 percent, and in Japan, it is 20 percent.

We would say that sums up pretty well Governor Hsieh's case against further appreciation. From now on the balancing effort must come from other, more concrete means.

Spokesman on Chennault Delegation's PRC Visit

OW2611133089 Taipei International Service
in English 0200 GMT 25 Nov 89

[Text] Government spokesman Shao Yu-ming has stated that the ROC [Republic of China] Government neither encourages nor supports trade promotional visits to the Chinese mainland by local businessmen. Shao made the remark when commenting on press reports that Anna Chennault, a noted Chinese-American political figure, would head a trade mission of Taiwan business executives and industrialists to visit the Chinese mainland soon. Shao noted that the ROC Government currently only allows local citizens to visit their families, attend meetings sponsored by international organizations, or participate in international sports competitions on the mainland.

Meanwhile, Economic Minister Chen Lu-an also criticized Chennault, calling on local entrepreneurs not to become tools of foreigners. He stressed that the government will strictly prohibit any such direct trade and economic behavior. Chen said that the government here still prohibits local enterprises from directly investing on the Chinese mainland, and the government policy has not changed.

Roundup Views Independence Prospects

HK0512124289 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1348 GMT 4 Dec 89

[Roundup by Gang Cheng (3927 2110): "The KMT Suffered Setbacks in the Election"—ZHONGGUO TONGXUN SHE headline]

[Text] The results for the election of public posts, the first since the martial law ended, have been released. The Kuomintang Party [KMT], which has always dominated Taiwan's political arena, could only take 72 legislative seats out of the 101, and 119 seats out of the 171 provincial and city councillor seats. At the 21 elections for county chiefs and city mayors, the KMT won 14 seats and lost 7 seats while the Democratic Progressive Party [DPP] took 6 seats. The remaining seat was taken by a nonparty candidate.

The Taiwan Provincial KMT Committee Director Ma Chen-fang expressed: The election results are "not satisfying" to the KMT. It "badly needs to draw a lesson from a bitter experience, examine and improve itself." The KMT Secretary General Soong Chuyu also expressed that they must "accept the failures."

The KMT suffered most at the elections for mayors and county chiefs. It has not only been unable to "recover" Kaohsiung County, an important stronghold in the south which it lost at the last election, but has also lost Taipei County, Lee Teng-hui's home country, as well as Hsin-chu, Yilan, Changhua, and Pingtung Counties. Now the DPP have six county chiefs in Taiwan. The position of mayor in Chiayi has been taken over by a nonparty candidate.

As the DPP has taken 21 legislative seats at the elections, they are now in a position to sponsor their own bills in the Legislative Yuan. This Legislative Yuan, which has always been in trouble, will have more trouble now.

What has particularly drawn people's attention is the "New Nation Alliance" formed by the "new trend" faction candidates of the DPP who strongly advocate "Taiwan's independence" as its political appeal. They won 8 seats of legislative councillors and 12 seats of provincial and city councillors at the elections. These figures are increased by the 2 county chiefs who are originally affiliated to the "new trend" faction. Factions advocating "Taiwan's independence" within the DPP are exercising some influence in Taiwan's political arena.

Some Taiwan observers pointed out the setbacks suffered by the KMT at the elections indicate that there is an urgent demand for changes among the Taiwan people and that they are beginning to lose confidence in the KMT. They vented their daily-mounting grievances

against various current social and economic conditions, such as poor public security, the speculation trend, and the deteriorating investment environments...by "not voting for the KMT" as a protest. The fact that they voted for the DPP, of course, does not mean they support "Taiwan's independence."

Some observers hold that the KMT lost because it "lacked the awareness of the political crises" and that it has, especially, been too lenient to the "Taiwan's independence" advocacy. Over the past 2 years, advocates for "Taiwan's independence" have stepped up their activities in Taiwan. Since the elections began, their influence has become more and more conspicuous each day. First, Lin Yihsung expressed his "Draft Basic Law of the Republic of Taiwan" upon arriving from the United States; it was then followed by the "New Nation Alliance" formed by the "new trend" faction candidates of the DPP. At the elections, they have publicly made the political appeal of advocating "Taiwan's independence of sovereignty," formulating "new constitution," electing a "new national assembly" and founding a "new country." Overseas elements advocating "Taiwan independence" have openly returned home to give support to these candidates who advocate "Taiwan independence." To respond to this, the KMT authorities have only declared that "the statements made by the candidates and people concerned cannot contravene various relevant regulations, otherwise the executive and public security units will certainly deal with them according to the law." However, it is only an oral expression. Nothing substantial has come out of it at the elections.

Although the KMT's ruling position has not been shaken in Taiwan yet, the forces in favor of "Taiwan independence" are growing strong. Moreover, the people are becoming more and more dissatisfied with the KMT. How the situation on the island will be kept stable is what attracts our attention.

Hong Kong

Xu Jiataun Discusses Centralization of Power

HK0612063689 Hong Kong WEN WEI PO in Chinese
6 Dec 89 p 1

[Dispatch from Shenzhen: "Xu Jiataun on Taking Back Power to an Appropriate Extent"]

[Text] Shenzhen, 5 Dec—Xu Jiataun, director of XINHUA NEWS AGENCY Hong Kong branch, stressed here today that China's policy of reform and opening up will remain unchanged, despite the changes in specific economic measures. He said: Deng Xiaoping recently made a remark before his resignation: "Without reform and opening up, there will be no way out for China."

Xu Jiataun made these remarks at a Nantong fellowship party held in Shenzhen. Wang Guangying, vice chairman of the Chinese People's Political Consultative Conference and director of the Hong Kong Everbright Industrial Corporation; Liang Lingguang, member of the Standing Committee of the National People's Congress [NPC] and vice chairman of the Overseas Chinese Affairs Committee of the NPC; Zhang Jingli, chairman of the National Federation of Industry and Commerce; leaders of the Nantong municipal party committee, government, People's Congress, People's Political Consultative Conference; and some 200 people from the United States, Japan, Bolivia, Hong Kong, and Macao of Nantong origin attended the party.

Xu Jiataun pointed out that the ongoing economic austerity in China, the decentralization of powers in the past, and the moderate centralization of powers at present, have given the outside world the impression that China's reform has changed. Moreover, in light of the views of the outside world, including Western countries, the purpose of economic reform and opening up carried out in socialist countries is to resume and develop capitalism. In fact, we are consolidating and developing socialism and building socialism with Chinese characteristics, a system based on public ownership which includes the individual and private sectors and constantly develops productive forces. These countries may have some misunderstanding of these problems, believing that changes have taken place in China. Actually, there have been no changes. China will continue to open itself to the outside world in the years ahead. Xu disclosed that China will hold a work conference of special zones this year and a work conference of coastal areas next year to discuss the principle and policies of the coastal areas and special zones opening up wider to the outside world.

Regarding the worries of some foreign businessmen about their safety on the mainland, Xu Jiataun said that their worries are uncalled-for because the question of security does not exist at all.

On the cooperation between the mainland and foreign businessmen, however, Xu criticized the tedious formalities for drawing foreign capital. He said that it is indeed a rather difficult thing to do business in China because of

the tedious formalities. Even a letter confirmed by a leader will be useless without the approval of local cadres. He proposed solving the troublesome matter with the signature of a responsible person.

On the importance of implementing a contract, Xu Jiataun pointed out that a contract cannot be altered because of a company reshuffle. This is what businessmen resent. Regarding the contracts signed with foreign companies, we should keep our word. Xu stressed that the mainland companies should seriously listen to the views of their foreign counterparts on these problems and solve them thoroughly. They should never cherish the illusion that everything can be solved merely with the offer of preferential policies. It is necessary to take practical action.

Although we have achieved great successes in reform and opening up over the past decade, Liang Lingguang pointed out at the party, there are indeed many mistakes and shortcomings in our work. Hence, we should seriously conduct self examination, sum up experience, and resolutely solve the problems and correct our mistakes so that our work can proceed healthily. Instead of opening the door as well as imposing some restrictions, China will open its door wider to the outside world in the years to come. This trend has been proved by the situation over the months.

Expatriate Presence in Legislative Council Urged

HK2811031089 Hong Kong SOUTH CHINA
MORNING POST in English 28 Nov 89 p 5

[By Fanny Wong]

[Text] Expatriates should be allowed to continue to sit as members of the Legislative Council after 1997 as it would be in the interests of Hong Kong, the outgoing Secretary for District Administration, Mr Donald Liao Poon-huai, said yesterday.

Speaking at a farewell press conference, Mr Liao said he believed that keeping the tradition of having expatriates in the territory's highest-lawmaking body after 1997 would only benefit Hong Kong.

He rejected the view that such an arrangement was an attempt to internationalise the territory politically.

"In Hong Kong's tradition, the community is made up of a lot of expatriates," said Mr Liao, who will relinquish his membership of the Sino-British Joint Liaison Group (JLG) at his retirement on Thursday.

"They have a lot of interests here and as we do have representatives in the Legislative Council (who are expatriates) who can make a useful contribution, it's not necessarily a bad thing that they should continue to do so.

"I wouldn't say it's internationalising Hong Kong politically."

Mr Liao said expatriates' continual presence in Hong Kong and participation in the legislature would encourage and promote their support and investment in Hong Kong.

Without their participation, it would be difficult for the Government to listen directly to the views of foreign investors, he said.

Senior Chinese official Li Hou, who is a deputy director of the State Council's Hong Kong and Macao Affairs Office, said earlier that China was considering putting restrictions on the nationality of members of the post-1997 legislature.

Mr Liao declined to comment on whether this would contravene the Sino-British Joint Declaration, stressing that the idea had yet to be discussed.

He said it would be difficult to say if it would contravene anything, as a lot would depend on the wording of the provision, if there was any.

Mr Liao has spent 30 years in the Government. Although he was supposed to retire last month, he stayed on to oversee arrangements for the recent Royal visit.

During the past month, his title was changed to Secretary for Home Affairs, as a result of a re-organisation of the Government policy branches.

On leaving the Government, Mr Liao will also lose his seat on the JLG.

As the diplomatic body prepares for another round of meetings from next Tuesday to Friday Mr Liao called for the early resumption of normal relations between the two sides.

China has recently severely criticised Britain for trying to internationalise Hong Kong's problem.

"I think it is just a temporary problem. It is only normal that both sides have different views," he said.

But Mr Liao said it would be easier for the two sides to handle issues, such as internationalisation, if ties were normal.

Mr Liao said in considering whether the issue of internationalisation should be discussed in the JLG, it had to depend on the context of discussion.

"I think first, we have to see if there's anything that contravenes the Joint Declaration," Mr Liao said.

"It would also be up to the two sides to discuss and agree whether the subject should be included in the JLG agenda."

Should the context of discussion refer to Hong Kong's future international status and its participation in international bodies; it was already being discussed in the JLG, he said.

The issue is being dealt with by the JLG expert sub-group on International Rights and Obligation.

Mr Liao believed the question of internationalisation was more likely related to the drafting of the Basic Law than the JLG.

Legislators Urge Removal of First Asylum Policy
HK2811030689 Hong Kong HONGKONG STANDARD in English 28 Nov 89 p 5

[By Ngo Tak-wing and Yue Sin-yui]

[Text] Legislators warned yesterday that mandatory repatriation alone would not solve the Vietnamese boat people problem and may even aggravate the situation.

They urged the Government to abolish the first asylum policy in order to deter boat people.

Legco [Legislative Council] is to debate the issue tomorrow.

Mr Poon Chi-fai said mandatory repatriation was good for propaganda purposes, but its effectiveness was very doubtful.

"It is at best a policy of cheating oneself and cheating others," he said. "The Vietnamese will continue to come because they see the hope of being classified as refugees, and they can receive cash compensation when being repatriated."

He objected to Hong Kong having to bear a proportion of the cost of repatriation.

"The cost should be shouldered entirely by the British government. It is the non-action of the British government which resulted in more and more boat people flooding into Hong Kong," he said.

Another councillor, Mr Hui Yin-fat, condemned the U.S. for what he said was a double standard.

He said the U.S. government objected to mandatory repatriation but had done nothing to assist Hong Kong with the problem.

And he warned that unless the first asylum policy was abolished, mandatory repatriation would have a limited effect.

Miss Leung Wai-tung said tomorrow's debate should be a message to countries objecting to mandatory repatriation. She said Legco should send copies of tomorrow's speeches to Hong Kong's representatives in such countries as the U.S.

Miss Leung urged the Government to start mandatory repatriation as soon as possible. She welcomed indications that it may start by the end of the year or early next year.

But she also said mandatory repatriation alone was not a solution. "As long as the Vietnamese see the hope of being classified as genuine political refugees and hence able to be settled in a third country, they are willing to come and try," Miss Leung said.

She suggested that screening be abolished and all boat people be repatriated. The view was echoed by another legislator, Mr Ronald Chow.

Twenty-one members are expected to speak in tomorrow's debate.

The motion is: "That this council urges Her Majesty's Government to secure as soon as possible ... the urgent mandatory repatriation from Hong Kong to Vietnam of all Vietnamese boat people not classified as refugees."

Boat People To Be Repatriated by Force

OW2811084989 Beijing XINHUA in English
0655 GMT 28 Nov 89

[Text] London, November 27 (XINHUA)—Forcible repatriation of Vietnamese boat people in camps in Hong Kong is expected to start in about a fortnight.

Minister of State of Foreign Office Francis Maude said today it would start "sooner rather than later."

Speaking on BBC Radio, he said, "There has been unanimous agreement in the international community that there is no place for these people to go other than back to Vietnam."

Britain's decision was objected by U.S. President George Bush [as received] when he met Prime Minister Margaret Thatcher at Camp David last Friday.

Despite Bush's opposition, Maude said repatriation would have to start before a new influx of refugees next February or March when the weather improves.

British officials in Hong Kong said the forced repatriation would begin as early as mid-December and the International Committee on Migration has been asked to help monitor the boat people's treatment after they return.

Officials in London are reportedly arranging the charter of a ferry to take the first 1,000 boat people back to Vietnam.

Of the 40,000 Vietnamese boat people in refugee camps in Hong Kong, only 13,000 are considered as political refugees.

Vietnam insisted on financial aid as part of a package dealing with boat people. Britain agreed to pay 620 dollars for each refugee who returns voluntarily. So far only 500 people returned.

According to a Foreign Office spokesman, Britain will also provide financial aid for repatriation, which will mainly go through international organizations to Vietnam. The amount, he added, has not been fixed.

Defending Britain's position on boat people, an aide to Thatcher said today that Britain had no alternative because none of the countries in the world, including the United States, are willing to receive these boat people.

He said, riots in the refugee camps in Hong Kong have caused serious problems.

However, the opposition Labor Party accused the government of sending boat people home under the cover of darkness to avoid embarrassing television pictures. Several British newspapers joined the accusation.

Envoy Ke Comments on UK Liaison Group Stance

HK0312025189 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 3 Dec 89 p 2

[By Political Editor Dean Nelson]

[Text] Britain has blamed China for staging a go-slow within the Sino-British Joint Liaison Group [JLG] since its meetings began again in September, after three months of megaphone diplomacy.

Diplomats had expected relations to return to normal after the London meeting in September. The group had stopped work after the Beijing massacre in June. The meeting was hailed as a "clear the air session", clearing the way for the day-to-day work to resume.

Chinese Ambassador Ke Zaishuo said today at the meeting that Britain had no right to press China to keep the People's Liberation Army out of Hong Kong after 1997, and that Britain should prevent the territory from being used as a base for counter-revolutionary activity.

Shortly after the meeting, however, the Yang Yang affair took relations between the two powers to a new low. Since then, little of the day-to-day work has proceeded as planned.

"It is a go-slow on their part. There has been no go-slow on our part. It is not our fault. It is the Chinese," a British official in Hong Kong said.

"The JLG had become a workhorse, dealing with the nitty gritty issues. But since the last JLG there has been little practical activity. What we hope to do as this JLG is to change that. There is a lot of work to do," he added.

Officials expressed disappointment that the London meeting had not borne the expected results, but they were hopeful this week's meeting would put the group back on course.

"We hoped the last one would clear the air, and to some extent it did, but there has not been the uptake in business we had hoped for. There have been meetings every day between the two sides, but nothing substantive has come out of them," the official said.

"The JLG gathers together all that happens between the last meeting and the present one. We hope this one will get the machinery up and running."

The four-day meeting, which begins on Tuesday in Hong Kong, will be the first for Mr Anthony Galsworthy as the British leader.

The Chinese are expected to focus on British moves to "internationalise" the territory in the run up to 1997.

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